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PROCEEDINGS AND DEBATES OF THE 91st CONGRESS, FIRST SESSION

SENATE—*Wednesday, August 13, 1969*

The Senate met at 10 o'clock a.m. and was called to order by the President pro tempore.

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

O Lord, our God, we have toiled through the long hours of past days and now before we depart we offer the sum of all our efforts to Thy greater glory. Bestow Thy blessing upon what we have done. Confirm what has been right; correct what has been wrong; and overrule all human imperfections.

As we find brief respite from our tasks, give journeying mercies and safe conduct to all who go forth from this place. Bring us back renewed in mind and spirit with a firmer grasp upon Thee and a purer vision of a better world.

Now may the Lord bless you and keep you; the Lord make His face to shine upon you and be gracious unto you; the Lord lift up the light of His countenance upon you, and give you peace; through Jesus Christ, our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, August 12, 1969, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on August 9, 1969, the President had approved and signed the joint resolution (S.J. Res. 85) to provide for the designation of the period from August 26, 1969, through September 1, 1969, as "National Archery Week."

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Henry L. Brooks, of Kentucky, to be U.S. circuit judge for the sixth circuit, which was referred to the Committee on the Judiciary.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the order heretofore entered, the Senator from Connecticut is recognized.

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

Mr. RIBICOFF. I yield.

Mr. MANSFIELD. I thank the distinguished Senator for yielding.

ORDER FOR RECOGNITION OF SENATOR TALMADGE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Georgia (Mr. TALMADGE) be recognized for not to exceed 15 minutes at the conclusion of the remarks of the distinguished Senator from Connecticut (Mr. RIBICOFF).

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, following the remarks of the distinguished Senator from Georgia (Mr. TALMADGE), statements in relation to routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

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

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

The PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The bill clerk read the nomination of Douglas B. Baily, of Alaska, to be U.S. attorney for the district of Alaska.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

AMBASSADORS

The bill clerk proceeded to read sundry nominations of ambassadors.

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

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

INTERNATIONAL MONETARY FUND, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, INTER-AMERICAN DEVELOPMENT BANK, AND ASIAN DEVELOPMENT BANK

The bill clerk read the nomination of Nathaniel Samuels, of New York, to be U.S. Alternate Governor of the International Monetary Fund, U.S. Alternate Governor of the International Bank for Reconstruction and Development, U.S. Alternate Governor of the Inter-American Development Bank, and U.S. Alternate Governor of the Asian Development Bank.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. MARINE CORPS

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

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

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

U.S. ARMY

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

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

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

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

The PRESIDENT pro tempore. Without objection, the President will be notified.

LEGISLATIVE SESSION

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

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

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate following the completion of business today until noon, Wednesday, September 3, the Secretary of the Senate be authorized on Friday, August 29, and on Tuesday, September 2, to receive messages from the President of the United States and from the House of Representatives and that they may be appropriately referred; that during the same period all committees of the Senate may be permitted on those days to file their reports together with any minority, individual, and supplemental views; and that the Vice President, the President pro tempore, or the Acting President pro tempore may be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL SEPTEMBER 3, 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, in accordance with the resolution on adjournment which was adopted yesterday, the Senate stand in adjournment until noon, September 3, 1969.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. SYMINGTON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Connecticut yield?

Mr. RIBICOFF. I am pleased to yield.

Mr. SYMINGTON. I thank the distinguished Senator from Connecticut for yielding to me.

PLANNED FUTURE HEARINGS ON FOREIGN COMMITMENTS

Mr. SYMINGTON. Mr. President, the Subcommittee on Security Agreements and Commitments Abroad of the Senate Foreign Relations Committee will hold its first hearings, in executive session, late next month.

At that time the subcommittee will explore the details of U.S. programs, personnel, and facilities in certain countries of Southeast Asia, excepting Vietnam.

A declassified version of the record on each country will be released; and it is expected that public hearings will be conducted later in order to present the American people with as much detail as security will permit with respect to the vital matter of U.S. relationships and commitments with the countries in question.

The subcommittee staff returned recently from a 6-week trip to Korea, Japan, Okinawa, Taiwan, Thailand, Laos, and the Philippines.

Perhaps it is significant to note that, when the staff completed a trip last May to five Mediterranean countries, we said, "In almost every country visited the staff found military facilities whose original mission had long since faded."

A brief review of material developed during the latest trip not only raises questions of excess facilities, but also the types of programs and involvements undertaken in this explosive area.

Using material developed by our subcommittee, the full Foreign Relations Committee has been able to explore both the Spanish base agreement and the United States-Thailand joint contingency plan. These two matters now being publicly discussed illustrate in but a minor way the scope of the material to be covered as our hearings progress.

Questions of commitments and security agreements go far beyond words on paper. They include facilities and deployment of U.S. troops and equipment abroad; financial and equipment support for foreign forces and foreign government operations; bilateral contingency planning and joint exercises; and storage of special weapons outside the United States.

The fact that questions are now being raised with respect to such matters should not necessarily mean that the subcommittee objects to them; rather, this will be an effort to gather information so as to be able to discuss the basic questions of foreign policy direction and the manner in which the executive, through the Departments of State and Defense, formulates and oversees such policies.

Some of us believe that for too long Members of Congress and the respective committees have satisfied ourselves in this area by limiting inquiries to policy decisions, rather than also to the programs and activities which have flowed from, and have continued to grow, as a result of, those decisions.

It is hoped that as a result of these hearings the full committee will have the material necessary for an evaluation of the role of the United States.

THE PRESIDENT'S WELFARE PROGRAM

Mr. RIBICOFF. Mr. President, President Nixon has presented the Congress and the country with a sound and constructive first step in our fight to improve the lives of all our citizens. In his speech to the Nation last Friday evening and his messages to Congress this week, he has outlined the changes he proposes for the welfare and manpower programs of this country.

I welcome the President's vow to provide assistance to all families whose incomes fall below certain levels; to train the unskilled; to upgrade and expand day care services; to relieve the financial burdens of our cities and States; and, in circumstances where employment is not possible, to reform and improve our welfare system and remove inequities among States.

There are elements in the President's proposals that the Congress will want to examine carefully. Additional proposals will be necessary if we are to attack seriously many of the problems discussed by the President.

Nonetheless, I am sure that those of us who have worked over the years for these programs will do our best to see that they are adopted. Many parts of the President's message are forward looking, imaginative, long overdue, and a genuine credit to the President himself—and to his administration.

A number of the President's suggestions deserve our wholehearted support. Providing a Federal program of family assistance to low income families with children is a good beginning. Replacing the aid to families with dependent children program with a family assistance program aimed at keeping families intact by helping the working poor has been long overdue in this country.

The plan to permit welfare families with dependent children to keep a larger share of their earnings is important and builds on the social security amendments of 1967.

The requirement that there be basic minimal Federal standards for welfare recipients across the country has long been advocated by authorities in the field. The President deserves our support on this issue.

I fully support the President's request that the administration of his family assistance proposal be delegated to the social security administration at HEW rather than be channeled through State welfare agencies.

Similarly, I endorse his attempt to coordinate manpower programs at the State and local level in an attempt to rationalize our efforts. Decentralizing the administration of Federal manpower training efforts is a worthy attempt to bring the Government programs closer to the people they serve.

Revitalizing the Office of Economic Opportunity by focusing its efforts on experimentation and demonstration deserves our support.

Many of these ideas are not new. Previous administrations have made similar proposals.

This should not detract from the President's declarations, however. The American system of government is evolutionary. The ideas of one generation or administration often become the achievements of another. That is the basis for the continuity that supports our democracy.

What is important is that the President's message marked the beginning of a serious, intelligent and open debate on the issues he has raised—a debate in which the Congress, the general public and even the President himself must participate.

The President's proposals are sound in principle. But in reality, they raise some serious questions.

For example, the President placed great emphasis on work and what he called "workfare."

But he provided no jobs.

That is the major weakness in his program.

Our first priority must be a commit-

ment to full employment—a guaranteed job for every person who is willing and able to work.

Of course "workfare" is preferable to welfare. But a new word in the dictionary is no substitute for a new job in the labor force—and new hope for the man who wants a job but cannot find one.

Provision is made for 150,000 job-training slots for persons on welfare. But where is the job at the end of the training?

If our experience of the past several years has taught us anything, it is this: nothing is more frustrating or humiliating to an individual—or more corrosive of a nation's spirit—than when that individual is trained for idleness.

As for the family assistance system, its basic flaw is the meager amount of assistance.

The assured income of $1,600 a year comes out to about $33 a month per person for a family of four. And those families who, by a combination of earnings and family assistance payments, receive $3,200 still will live in poverty.

This is inadequate. If families who once could count on food stamps now must use this small allowance to buy food as well, the net result may be a step backward.

Furthermore, those States carrying the greatest burden will not find any meaningful assistance in this program.

In Connecticut, a family of four receives a total allotment of nearly $3,800 a year—of which $1,900 already comes from the Federal Government.

The same can be said for New York, New Jersey, Massachusetts, California, Minnesota, Wisconsin, and other States.

Another problem is that the welfare proposals do not assist those persons who are not blind, disabled, aged, or members of a low-income family with children—but who still need help.

Two to three million Americans will be completely overlooked in this program as they have been overlooked in the past. A married couple, 50 years old, with no children at home, will not qualify for any aid even if the husband is unable to work.

The trouble with the basic minimum Federal standard for welfare payments to adults who are blind, aged, or disabled is just that—it is a minimum payment.

An adult in one of these categories will receive $780 a year—not enough for the basic necessities of life. Though many States and cities will provide additional assistance, their support has—and probably will vary radically. Often it has amounted to very little.

The President's message gave the impression that welfare was the fundamental problem facing our society. It seemed to say that the welfare system had, by itself, created millions of persons who were sick, uneducated, unemployed, and poorly housed.

Is this really the case?

Welfare did not cause poverty in America. Poverty in America caused welfare.

Welfare is not the cause of our failures. Welfare is the result of our failures—our failures in education, employment, housing, and health.

Our task is to begin to remedy all these failures—not just the welfare system. Otherwise, we shall never stem the tide of wasted lives.

We should begin by amending and improving the President's welfare proposals. I plan to introduce in the Finance Committee amendments to achieve the following:

Increased Federal welfare support for urban areas.

Expansion of Federal assistance to include needy individuals and families without children.

Increased benefits for the aged, the blind, and the disabled.

In addition, Congress must expand substantially the funding of Federal programs in the following directly related areas:

Establish Federal support for public service employment.

Expand comprehensive child development programs, including enlarged day care and child and maternal health programs.

Increase Federal aid to education.

I will introduce legislation in these areas as well.

These questions are obviously difficult and complex and require close study. But it is imperative that study not be used to justify further delay. The days of rhetoric must be over. We must convert rhetoric to substance.

The poor and disadvantaged of our country will no longer rest easy with simple promises or good intentions. They demand and deserve action.

Our response must be prompt, but it must be responsible. Therefore, I have asked six experts, representing a cross-section of the Nation, to serve me in an advisory capacity as the Committee on Finance, of which I am a member, considers this entire question.

Included are:

Fidel Fauri, dean of the school of social work at the University of Michigan;

Lisle Carter, visiting professor of public administration, Cornell University, and former Assistant Secretary of HEW for Individual and Family Services;

William H. Burson, director of family and children's services; State of Georgia;

Mrs. Sonoria Johnson, director, Washington Bureau, National Urban League;

Lloyd E. Rader, director of welfare, State of Oklahoma; and

Bishop Raymond Gallagher, Bishop of Lafayette, Ind., former executive secretary of the National Conference of Catholic Charities.

Let me elaborate on the new programs we will need if we are to attack successfully the problems raised by the President.

JOBS

We cannot substantially improve the lot of the unemployed without a commitment to full employment.

We have talked about this since 1946.

Now it is time to go ahead and do it.

We have any number of proposals and techniques, involving both the private and public sector, that can be fashioned into a policy to achieve the goal of full employment.

Some examples are raising the minimum wage and providing adequate salaries; enforcement of equal employment practices in Federal contracts; and tax incentives for industries that become active in job development.

But two programs must be cornerstones: on-the-job training in the private sector, regardless of whether it is in the slums or outside the slums; and public service employment.

I will propose to the Committee on Finance that a program of public service employment be made an adjunct to the welfare system.

There has been too much talk about the Government being the employer of last or first resort. What we have lost sight of is the tremendous need for more workers in the public sector.

There are presently over 500,000 jobs that could be filled in State and local governments if they only had the funds to hire the necessary workers. These are not make-work jobs. These are needed services we all expect.

Those on welfare and those presently unemployed could be trained for example, to fill existing jobs as police aides, hospital aides, teacher aides, sanitation workers, and conservation assistants. We should be prepared to train and support 500,000 additional workers at the State and local levels, who would be engaged in making our cities and towns more livable and enjoyable.

COMPREHENSIVE CHILD DEVELOPMENT

The President wants to expand our present day-care facilities and substantially upgrade them. The extent of these plans is not clear, but I will give my strong support to a comprehensive program of child development operated through these day-care centers.

For too long, day-care centers have been storage bins for children of working mothers. If these women are to be encouraged to work, they must be assured that their children will not suffer as a result.

Also, we continue to tolerate an unnecessarily high infant mortality rate. The United States has the 15th highest rate in the world, with almost 90,000 infants dying each year. Other children are born malnourished and never recover. They grow up sick and hungry.

There is no conceivable reason why this Nation cannot provide full and complete health care to every mother who is pregnant and to every child until the age of 6.

The recent report of the Joint Commission on the Mental Health of Children has reminded us of the critical importance of the early years of a child's life. I will introduce legislation implementing their major recommendations.

In particular, day-care programs must provide adequate education, nutritional, and health programs in addition to the simple supervision presently provided.

The cost of such a program will not be small. The President provides only $828 per child per year in his day-care proposal. This is clearly inadequate when measured against a general estimate of almost $1,000 per child for adequate custodial care alone. A truly expanded day-care program may cost as much as $1,500 per year per child.

This cost is well worth our efforts. We

need to support our aged and those with severe disabilities. But the future of our country is tied to the health and education of our children. We can no longer afford to neglect or deny children their basic right to healthy development and growth.

EXPANDED SUPPORT FOR EDUCATION AND HEALTH

Jobs and a comprehensive child development program operating through expanded day-care centers will not be enough. I have already noted that the large number of low-income families and unemployed people represent the general failure of our institutions.

We must begin to meet the commitments we have made in education and health. We have often made grand promises, only to renege on them with small appropriations.

Education is of particular importance.

A child's education must be more than a geographic accident.

But that is what has happened in our big city schools, where the need is greatest but the resources poorest. Local budgets are strained to the breaking point.

We should begin determining how to shift the costs of education to State and National Governments—while keeping control of education a local matter.

This would be fairer to both taxpayer and child, and result in more money which could be used according to need. It also would be fairer to our cities, which desperately need their tax revenues.

A program of revenue sharing is vital to the successful operation of our cities and States. But we should not lose sight of the fact that expanded Federal support in established programs is equally important. It will do local government little good for us to begin a revenue sharing plan on the one hand, while removing Federal program support with the other.

In summary, the President's proposals have great significance.

How we respond to them may well determine the course our Nation takes during the 1970's.

What is required is a high degree of political leadership from both the President and the Congress at a time when it seems much easier to follow old habits than develop new directions.

But if we have elected followers instead of leaders, we are in much deeper trouble than any of us had imagined.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. BAYH in the chair). Under the previous order, the Senator from Georgia (Mr. TALMADGE) is now recognized for 15 minutes.

Mr. TALMADGE. I thank the Chair.

HEW'S CUTOFF OF SCHOOL FUNDS

Mr. TALMADGE. Mr. President, earlier this year the Secretary of Health, Education, and Welfare came before the Senate Committee on Nutrition to talk about what the department was doing to help the poor.

I inquired how HEW could reconcile its attempts to fight poverty on one hand and then take school lunches and educational funds away from needy children with the other.

I referred, of course, to the Department's heavy-handed policy of the past and present in enforcing the provisions of title VI of the Civil Rights Act of 1964.

This has been a policy of taking Federal assistance away from schools which in reality need it the most. School lunches for hungry children have been totally wiped out or drastically curtailed. Educational programs, such as remedial reading and special teaching, designed especially for economically deprived schoolchildren, have been impaired. In short, in many, many cases those whom the law was supposed to help were the ones hurt the worst.

One Georgia school superintendent wrote me recently:

> How in the name of Heaven the federal government thinks it can upgrade the education of deprived children by denying them funds, completely escapes me.

Another wrote:

> It seems to me a very poor policy to cut off funds to children who need it the most. The food children get in the school lunch program is in many instances the most nutritious food they have. In some cases, it may be the only real meal they get.

These are but two examples. I have written to 122 school systems to determine the extent of damage to their school lunch programs and other educational efforts because of the loss of Federal assistance. I had an almost 60 percent response. The aforementioned examples are representative of what I learned. The worst damage has been inflicted on school lunch programs and title I funds under the Elementary and Secondary Education Act—both of which are primarily designed to aid children of poor families.

Such action by the Department of Health, Education, and Welfare goes far beyond the law. It was not the intent of title VI to cut off funds for school lunch programs. In fact, it was specifically stated by even the most ardent supporters of the bill that this not only would not but should not happen.

HEW, through its so-called school guidelines, has made new law, and attempted to enforce it by getting a financial stranglehold on local school officials.

Only yesterday in New Orleans, the U.S. fifth circuit of appeals, which has not been known for its conservatism on this issue, accused HEW of abusing the intent of Congress in acting so arbitrarily in cutting off school funds. Such a reprimand has been long overdue.

Here is what the court said, in part:

> Schools and programs are not condemned en masse or in gross, with the good and the bad condemned together, but the termination power reaches only those programs which would utilize federal money for unconstitutional ends.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks the Washington Post article regarding the fifth circuit court of appeals ruling.

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

(See exhibit 1.)

Mr. TALMADGE. Mr. President, it is a ridiculous inconsistency to have virtually all the agencies of the Federal Government working day and night to fight poverty, and then have HEW, in effect, contribute to the problem by taking food away from hungry schoolchildren.

It is absurd to hear the administration talk about education as a prime weapon against poverty, and then have HEW bring education programs to a standstill where they are most critically needed.

This is what I asked Secretary Finch to explain, when he appeared before the Committee on Nutrition.

The Secretary replied that this was indeed "a vexatious dilemma."

Secretary Finch and the Department of Health, Education, and Welfare have now been removed from the horns of that dilemma by the Federal judiciary.

On August 1, the Department of Justice filed suit against the State of Georgia, the State board of education, and the State superintendent of schools. It asked the Federal court to order desegregation "at the earliest practicable date."

This action removed the school controversy in Georgia from HEW to the Federal judiciary. I hope that the courts will restore this complex problem to its proper perspective, and that we will be finished with forced student and faculty assignments, and the closing of schools and the busing of children, on the basis of arbitrary percentages and ratios dreamed up by somebody in Washington.

I also hope that no more Federal assistance will be withheld from the Georgia school system or other school systems to try to punitively bring about social reform. Heretofore, schools have been besieged by Federal bureaucrats who were mixed up themselves on just what was required by the law, and what action was necessary to carry it out.

School administrators never knew precisely what was required of them. They were never certain where they stood. But they felt the impact—and so did thousands upon thousands of schoolchildren—when the Government moved in to cut off all Federal assistance—regardless of how badly it was needed and without regard for the children, black and white, that the funds were meant to help obtain a better education.

Someone decided that a certain school system was not running things right. That school system was then starved out of the Federal Treasury.

The time has come for HEW to step back out of the way. Now is the time for more attention to be paid to the law, as it was written and as it was intended.

Now that this matter is in the breast of the court, I further hope that HEW will restore Federal assistance to the 37 school systems in Georgia that have cutoff orders against them.

A new school term is about to start. These funds are needed by the schools. Thousands of deprived children need their benefits, in terms of food and an adequate education, which is their birthright.

HEW can restore these funds, if it will. This would be the humanitarian thing to do. It would be the sensible thing to

do. HEW ought to be barred from making any more cutoffs. And for those school systems already cut off, funds ought to be restored.

In this way, school lunch programs for more than 10,000 needy children can be reinstated. Title I educational programs can be put back in operation.

Education, where it has been weakened by an ill-advised policy of the past, can be strengthened.

I urge the Secretary to carefully consider the needs of these schoolchildren. I hope he will seize this opportunity to remove HEW from its self-styled dilemma and strike a blow for education.

EXHIBIT 1

[From the Washington Post, Aug. 13, 1969]

COURT SCORES HEW IN SCHOOL FUND CUTOFF

NEW ORLEANS, Aug. 12—The U.S. Fifth Circuit Court of Appeals said today the Health, Education and Welfare Department abused the intent of Congress in cutting off federal funds to school boards not complying with desegregation guidelines.

The court ruled HEW was wrong in cutting off funds under three federal programs to the Board of Public Instruction, Taylor County, Fla., without first determining precisely how each individual program stacked up to desegregation guidelines.

The court said the action was "clearly disruptive of the legislative scheme."

"Schools and programs are not condemned en masse or in gross, with the good and the bad condemned together, but the termination power reaches only those programs which would utilize federal money for unconstitutional ends," the court said.

Because three separate and distinct programs were involved in the Florida cutoff, the circuit court said, HEW must make individual determinations of whether the funds are being used to further the cause of racial discrimination, as Congress intended.

HEW cannot, the court said, simply cut off all funds to a school district because one segment of it may be in noncompliance with HEW mandates.

"Each of the programs has a different objective; each requires a separate plan and a separate administrative approval; and each has an individual provision for appellate review," said the ruling.

"Under the circumstances it is not possible to say on the basis of segregation of faculty and students that all programs in the schools in Taylor County are constitutionally defective."

The Civil Rights Act provides a policy of separating programs in the fact finding process, the court said. "Each must be considered on its own merits to determine whether or not it is in compliance with the act. In this way the act is shielded from a vindictive application," it said.

HEW cut off $203,675 in federal funds under three programs in Taylor County after one of its examiners last year found that the school board was in violation of Title VI of the Civil Rights Act and no longer entitled to federal funds.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Senate will now have a period of time for the transaction of routine morning business, with statements limited to 3 minutes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

REAR ADM. JOHN HARLLEE, U.S. NAVY, RETIRED, CHAIRMAN, FEDERAL MARITIME COMMISSION

Mr. KENNEDY. Mr. President, effective September 1, 1969, while the Senate is in recess, Rear Adm. John Harllee, U.S. Navy, retired, will be leaving Government service. His resignation as Chairman of the Federal Maritime Commission marks the end of almost 40 years of public service of which he, his family, and all of us can be justly proud. His career, Mr. President, is worthy of note and commendation.

Born in Washington, D.C., the son of Mrs. Ella F. Harllee and the late Brig. Gen. William C. Harllee, U.S. Marine Corps, retired, John Harllee was graduated from the U.S. Naval Academy in 1934.

On December 7, 1941, Admiral Harllee participated in the defense of Pearl Harbor, where he was stationed. During World War II, he commanded Torpedo Motor Boat Squadron 12. He and his command were awarded the Presidential Unit Citation for outstanding performance in combat in the Southwest Pacific during 1943 and 1944. He also served a year as chief staff officer of the PT organization in the Southwest Pacific, which included 10,000 officers and men, 200 PT boats, 11 supporting ships, and seven bases. During World War II, Admiral Harllee's service was recognized with the award of the Silver Star and the Legion of Merit with Combat V.

From 1947 to 1948, Admiral Harllee served in the Navy's Congressional Liaison Unit. From 1948 to 1949, he commanded a destroyer—the U.S.S. *Dyess*—which won the annual divisional competition, after which he attended the senior course of the Naval War College.

During the Korean conflict, Admiral Harllee was executive officer of the cruiser *Manchester*, during which tour of duty he received the Commendation Ribbon for conduct in action. He has also been awarded various compaign and service medals, including 10 battle stars.

From 1955 to 1958, his assignments included the command of Division 152, commander of the surface ships on the Formosa patrol, chief of staff of Destroyer Flotilla 3, and commander of the amphibious attack cargo ship U.S.S. *Rankin*, which won more awards than any other ship in peacetime. In January 1959, All Hands magazine ran a special report on the U.S.S. *Rankin* and its Captain, John Harllee, entitled "Is There a Formula for a Smart Ship?" In seeking to find why one ship could win as many awards as the U.S.S. *Rankin*, one notable conclusion was drawn—that any ship that John Harllee commanded would be a winner of awards.

For Naval Institute Proceedings, Admiral Harllee has written such feature articles as "Practical Leadership Aboard Ship," September 1959, and "Patrol Guerrilla Motor Boats," April 1964.

Admiral Harllee voluntarily retired from the U.S. Navy in 1959 and worked in private industry for 2 years before becoming a consultant to the Under Secretary of Commerce for Transportation.

In August 1961, President Kennedy appointed John Harllee to the Federal Maritime Commission. This body confirmed that appointment without dissent. He was named Chairman of the Commission on August 26, 1963, and has served ably in that capacity since that date, having been sworn in to a second term by President Johnson on July 20, 1965.

Admiral Harllee's service as Chairman of the Federal Maritime Commission has been heralded by many individuals and groups of the shipping industry. He has received the Golden Quill Award from the Rudder Club of New York, the Order of Maritime Merit from the San Francisco Port Authority, the Honorary Port Pilot Award from the Port of Long Beach, Calif., and "Man of the Year" award from the New York Foreign Freight Forwarders & Brokers Association. In presenting the latter award to Admiral Harllee, the president of the association pointed to the concern and dedication which the admiral has quietly but effectively made a part of his service to the country and to those whom he was authorized to regulate. He said:

> In our memory he is the first Chairman to sit down with forwarders at their homeports and review in detail the operations of our industry. We are most impressed with this willingness to exchange views. We find it indeed heartening that the Chief of an important Federal regulatory agency is willing to seek out the facts of our economic lives and consider our views as to solutions for existing problems. Administrators who are well informed and appreciate the problems of those they regulate offer the best guarantee that our regulatory statutes will be wisely administered.

When recently honored by the Federal Bar Association with a commendation award for his work in maritime law, Admiral Harllee displayed the same innovation leadership which has marked his career when he called for a internship program by the transportation regulatory agencies to train lawyers to cope with "intermodal" problems.

All those who have known Admiral Harllee respect him for the integrity and professional capacity which he has brought to public service. I have been privileged to know him as a personal friend for many years, and I know that the career of this fine gentleman which I have briefly outlined can speak for itself.

I simply want to render my own salute to Adm. John Harllee as he leaves the Government service and wish him and his family the success, good health, and good sailing they deserve in the years of private life ahead.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected-to items on the calendar, beginning with Calendar No. 335, and then proceeding to Calendar No. 359, and the following calendar numbers in sequence.

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

OLDER AMERICANS ACT AMENDMENTS OF 1969

The Senate proceeded to consider the bill (H.R. 11235) to amend the Older Americans Act of 1965, and for other purposes, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 4, line 12, after the word "title.", to insert:

Funds appropriated pursuant to the preceding sentence for the fiscal years ending June 30, 1970, and June 30, 1971, but not expended because a State did not have authority under State law to expend such funds, as determined by the Secretary pursuant to paragraph (4) of subsection (b) of this section, shall remain available as provided in such paragraph.

On page 5, after line 21, insert:

(4) In any case in which a State does not have authority under State law to expend the full amount of its allotment under this subsection in the fiscal year ending June 30, 1970, the amount of such allotment which the Secretary determines the State did not have such authority to expend during a part of that fiscal year shall remain available to such State until June 30, 1971, subject to reallotment after June 30, 1970, in accordance with the provisions of subsection (c) of this section, except as provided by the following sentence. In any case in which a State does not have authority under State law to expend the full amount of its allotment under this subsection, including any amount available pursuant to the preceding sentence, in the fiscal year ending June 30, 1971, the amount of such allotment which the Secretary determines the State did not have such authority to expend during the part of that fiscal year shall remain available to such State until June 30, 1972, subject to reallotment after June 30, 1971, in accordance with the provisions of subsection (c) of this section.

On page 6, line 18, after the word "required" insert "(i)"; in line 19, after "(a)" insert "and (ii) for the purposes set forth in paragraph (4) of subsection (b)"; on page 7, line 1, after the word "during" strike out "the" and insert "any"; in line 2, after the word "the" strike out "original"; in the same line after the word "allotment" strike out "was" and insert "is"; and on page 14, line 19, after the word "the" insert "new".

Mr. PROUTY. Mr. President, as a strong supporter of the Older Americans Act, I urge the prompt enactment of H.R. 11235.

As you know, authorization authority for the Administration on Aging created by the Older Americans Act of 1965 expired July 1. The general continuing resolution passed by Congress kept the agency operating temporarily. Nevertheless, I suspect that millions of older Americans and some agency personnel are troubled by the uncertainty which always surrounds congressional delay in extending program authorization.

I do not care to go into a comprehensive case history concerning application of the legislative process to extension of the Older Americans Act. I merely want to state that one of several reasons delaying prompt extension of the Older Americans Act was my insistence that the transfer of the foster grandparents program from the Office of Economic Opportunity to the Administration on Aging should include legislative language which would preserve both the service orientation of the program and the job status of those dedicated older Americans already in the program.

H.R. 11235, the House-passed extension of the Older Americans Act, transferred the foster grandparent program to the Administration on Aging. In doing so, however, for all practical purposes, it removed from the executive branch all discretion in establishing eligibility standards for participants in the program. Under the House-passed bill, all participants in the program are required to be low-income persons.

I initially proposed an amendment to give the Secretary of Health, Education, and Welfare some degree of discretion by adding the caveat "to the maximum extent feasible" to this requirement.

I had three reasons for proposing this amendment:

First, I believe in the general principle of giving the executive branch some discretion in program administration. As a legislator, I have never been convinced that Congress could foresee each and every contingency which might occur during the actual administration of a program.

Second, I believe that the success of the foster grandparent program can to a great extent be attributed to the fact that it has been a service-oriented program. All of the foster grandparents I have met are favorably impressed by the program because of the rewards inherent in serving others, rather than merely because of any economic benefit which accrues to them.

Third, I was concerned about the continued participation of the 4,000 grandparents presently in the program. Many of those now in the program began service when OEO income eligibility requirements were less restrictive. For example, OEO regulations issued as recently as May 1968 excluded farm income in computing individual income for program eligibility. Those same regulations specifically excluded current participants from the new income standards put into effect at that time.

When I raised the point that under the House-passed bill some foster grandparents in the program might be excluded, a number of lawyers in the General Accounting Office agreed with me. By giving the Secretary some discretion in determining eligibility, we could have prevented such undesirable results as excluding from the program individuals already participating in it.

While the majority of the committee did not see fit to support my original proposal of giving the Secretary some discretion in establishing eligibility requirements, I am pleased that the committee adopted another amendment of mine which has the effect of not changing income eligibility requirements for those foster grandparents already in the program.

The committee bill, H.R. 11235, makes the requirement that all foster grandparents be of low income applicable only to new participants in the program. While this does not completely satisfy my desire to have the service aspect of the foster grandparent program emphasized over the income supplement aspect, it at least preserves the status of those presently successfully participating in the program because of their desire to do for others.

Mr. President, with respect to the success of the foster grandparent program, I take particular pride in pointing out that one of the larger foster grandparent programs in the country is operating in my own State of Vermont.

The foster grandparent program at the Brandon Training School in Brandon, Vt., has been and continues to be a source of great satisfaction and reward for the foster grandparents, and also for the handicapped children who benefit from the love, care, and attention given to them on a daily basis.

Mr. President, I ask unanimous consent that a memorandum concerning the accomplishments of the Brandon, Vt., foster grandparents program be included in the RECORD immediately following my remarks.

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

(See exhibit 1.)

Mr. PROUTY. The bill before us today, Mr. President, does much more than transfer the foster grandparent program to the Administration on Aging. It extends and perfects the Older Americans Act of 1965.

In all candor, I think that all of us would agree that, to date, the Older Americans Act has achieved very limited progress toward fully meeting the needs of our older citizens. Nevertheless, we should take heart in the fact that some progress has been made. I am personally convinced that the changes in the program suggested by the administration's bill will enable the Administration on Aging to accelerate and expand the progress which has been made to date.

I think all of us desire to see the Administration on Aging developed into a more forceful focal point for articulating the pressing needs of older Americans, while at the same time expanding the services it makes available to meet the needs of older Americans.

President Nixon's appointment of John Martin to be Commissioner on Aging has, in and of itself, Mr. President, gone a long way toward insuring that the Administration on Aging will develop into a powerful voice for older Americans.

One of the first acts of the President after Mr. Martin's confirmation was to name him as a special assistant to the President for solving the problems of older Americans. In the months ahead, I am sure that we in Congress will begin

to feel the impact that John Martin and the Administration on Aging will most surely make in developing and carrying out meaningful programs to ease the plight of older Americans.

EXHIBIT 1

A RECORD TO THE CREDIT AND PRAISE OF OLDER PERSONS, 1966–69: THE FOSTER GRANDPARENT PROGRAM AT BRANDON TRAINING SCHOOL, BRANDON, VT., CAROLYN WHITLOCK, PROJECT DIRECTOR

1. Sixty percent of our Foster Grandparents are over 70 years old.

2. Of 40 Foster Grandparents, only one had to be replaced during the past year and that was because of her getting married and moving away from Vermont.

3. There has been no tardiness in 3 years and little absenteeism. Even on blizzard days Foster Grandparents attendance records could match and probably surpass any other school or business.

4. As a group, the Grandparents seem to improve as years go by, physically, emotionally, and socially. Twelve of the original 15 Grandparents will have been in the program for 3 years in October. The local doctor who gives them annual physical examinations has commented that their sustained good health is remarkable. Emotionally, the Grandparents seem to project more self-confidence in their ability to do their jobs and to relate to other employees. Socially, we continue to see warm friendships and kindnesses exchanged between Grandparents of varied backgrounds and ages. The common denominator of the children and the work seems to have brought about the appreciation they have for each other, despite ethnic differences.

5. One third of our group have never had children of their own before becoming Foster Grandparents. They have shown in many areas that oldsters are not so "set in their ways" that they cannot learn new skills or attitudes when the need for such learning really matters to them. One example of this is the way in which six Grandparents are giving meaningful training and care to blind children. Another example, is a Grandmother who had never been off of a farm until her late 50's when she became a childless widow and had to go to the city to find work. She had never known electricity or used a telephone until this age. With less than $600 a year income before this program, she had not had a home of her own for more than 10 years, living with various families that needed her housework assistance. After a year with this program, she now says that she is happier than she has ever been in her 72 years. She takes great pride in the way she is able to care for a child with disturbed behavior. Likewise, her skill in feeding a difficult baby gives her pleasure. When recently briefly hospitalized, she was in tears as to whether the baby was getting as much to eat without her care. In order to keep well and continue coming to her charges, this woman is taking great care with her diabetic diet for the first time in years and has lost 25 pounds with this health maintaining desire. Another example of "being needed" affecting physical health is our 80-year old Grandmother critically ill with a collapsed lung and tumor. During her three month hospital stay, she was positive and determined that she would get back to her "baby." For the past seven months she has been back without missing a day and at 82 is thrilled to now hear her charge begin to talk. One cannot help but wonder if Nursing Homes would be less crowded if more oldsters had opportunities to really feel and be needed.

6. Not one of our Foster Grandparents found the tragedy of retardation too much to take or to approach with hope.

7. The calmly happy optimistic attitudes of Grandparents have had healthy effect in Brandon. The unsung heroes in an institution are often the underpaid, hard working dormitory personnel. Their many efforts for the children above and beyond what their jobs demand are seen and appreciated by the Grandparents and therefore better understood by the community outside the institution.

8. Our eldest Grandfather (age 89) did not miss one day's work in 18 months, except for a two week cataract operation absence. Our eldest Grandmother, Daisy, was one of our first 15 Grandparents and is credited with giving the program its motto, "Lets Wear Out, Not Rust Out." We almost did not hire her because she refused to put her birth date on our application form (thinking she would never be hired at nearly 85 years). At 86, she returned to work after a months illness with a lovely white wig and now she is back with us at 87, after a two month absence and wearing a new eye. Daisy surely shows no signs of "rust" and her "wear" is fortunately kept in good repair.

To many persons living responsible, hectic lives the thought of retiring with nothing to do is anticipated as one step from heaven. The reality of total forced retirement is far from being even pleasant according to most Senior Citizens who are living it. Here at Brandon, we are convinced that doing nothing and being responsible to no one is not a happy state of being for any age, especially not for older persons with skills in human relationships acquired through 60 to 90 years of experience in dealing with other people of all ages and types.

Perhaps, at this time when our social ills and education goals are being scrutinized we should take our older persons "off the shelf" and let them take a vital role in our society. In fields of technology, an experienced person would not be "shelved" but society has no role and little use for the human relations experience, and skills of our older generation. As one-fourth of our national voting population, persons over 65 generally feel they no longer are useful because society has told them they should not be, except in a few isolated situations such as the Foster Grandparent Program. The numbers of such "roleless" persons are rapidly increasing as retirement age comes earlier and medical advancement keeps us healthy longer. The performance of the 40 Foster Grandparents at Brandon Training School and of 4,000 similarly involved persons in other parts of the United States has clearly demonstrated that older persons do have much to offer society and should never be "shelved".

The younger generation toward which our national attention and funds are focused often sings out that ". . . what the world needs now is love . . ." Perhaps if the oldsters had not been made "roleless" for so many generations, the youngsters would not be singing out this need with such a fervor today. Teenage volunteers working at Brandon have appreciated the attitudes and work of Foster Grandparents and made many close friendships with them.

Each of the 40 Brandon Grandparents gives individual attention, care, and training to two retarded children for four hours daily. Thus, over 70 children are having needs of self-identity met, as are the Grandparents' needs for feeling important and useful. Every Grandparent works out a program to meet the needs of his particular charges. Among the things that are patiently taught are skills of self-feeding, going up and down stairs, learning to manipulate buttons and shoestrings, getting along and sharing with others in work and play, and behavior in public. For those children who have the ability, there is help with learning to read and count, with crafts and games. There are special events too such as field trips, visits to stores or grandparents' homes. The children are taken out-of-doors daily and many participate in the Grandparents Rhythm Band and gardening projects. Speech stimulation and physical therapy are also children's benefits from the program.

As the individual Grandparent-Grandchild relationships continue in most cases they seem to improve in effectiveness for both the oldster and the youngster. As the child matures or his abilities improve, the Grandparent's gratification with his work likewise increases.

The Institution's attitude toward the Program has changed considerably since its beginning in 1966 when it was questionable to all concerned whether elderly persons could handle emotionally disturbed or severely handicapped children. Nowadays, if a child is a difficult problem or has multiple handicaps, the prescription is often to give him a Foster Grandparent. The patience, dedication, and perseverance that older people have is often what children need. To hear a 77-year old woman, with a good understanding of what future potential her young charge has, say that she would die happy if she could get him toilet-trained, exemplifies the thoughts of many Foster Grandparents.

Mr. KENNEDY. Mr. President, the Older Americans Act of 1965 represented a landmark piece of legislation for the senior citizens of this Nation.

The act created the Administration on Aging in the Department of Health, Education, and Welfare to serve as a central focus within the Government in all matters of concern to older people. The act also authorizes three programs to encourage and support efforts to enrich the lives of our seniors. Title III provides grants for community planning, services, and training. Title IV supports research and development projects. Title V gives grants and contracts for training efforts to meet the widespread needs of qualified personnel in the field of aging.

Activities under the act have led to a number of exciting developments and accomplishments for the aging. Under title III, for example, approximately 1,100 projects have been funded in all States and territories except the four which do not have approved plans. Under these projects: 83,000 older Americans were served through home maintenance, friendly visiting or telephone reassurances; 41,000 benefited from special transportation services for the frail, and for those without available public transportation; 47,000 received personal counseling services; 290,000 participated in recreation and leisure-time programs; and thousands of other older Americans received services appropriate to their needs.

In all, it is estimated by the Administration on Aging that over 600,000 older persons are being served under title III.

Research and development grants made under title IV of the act have demonstrated new approaches toward meeting the needs of the Nation's elderly, and have revealed new truths to help them in solving their problems and taking full advantage of the opportunities available to them. For example: the nationwide study conducted by the University of Denver refutes the stereotype of the older driver as a high-insurance risk and as a potentially dangerous licensee; the use of television has been successfully demonstrated as a technique for informing the elderly; and new light has been thrown on changes in life patterns caused by widowhood.

Training programs authorized by the act have made a dent in the shortage of workers trained to serve in programs for older Americans. This is particularly important because fewer than 10 to 20 percent of the approximately 300,000 professional and technical workers in programs serving the elderly have had no formal preparation for work with the elderly.

At the present time in the United States, out of a population of 203 million, 20 million persons are 65 or over. In my own State of Massachusetts, 620,000 citizens are 65 or over, constituting more than 11 percent of the population. Median income of older persons living alone with nonrelatives is about $1,500; 40 percent are poor or near-poor, and 5 million senior citizens actually fall below the poverty line.

In Massachusetts, the Older Americans Act has been extremely valuable and successful.

Twenty-three projects have been funded, of which 20 are still active.

Project Moneywise Senior in Boston has trained older persons to conduct consumer education programs for other elderly persons throughout the Commonwealth.

Schools in Boston, Holyoke, Quincy, Malden, Worcester, Brookline, and Pittsfield are providing lunches at 50 cents each for low-income persons over 60.

Roxbury has a home aid program, which employs recipients of aid to families with dependent children to help older citizens in their homes by cleaning, washing, shopping, and other household jobs.

The John F. Kennedy Health Center in Quincy provides various health services to the elderly, including massive screening programs.

The "new roles for older Americans" project in Worcester recruits, trains, and places senior volunteers in a variety of service opportunities.

In fiscal year 1969, approximately 50,000 older persons in Massachusetts received direct services from title III projects. Over 500 served as volunteers, helping other elderly persons as well as people in other age groups. Over 5,000 benefited from the transportation services available. Over 200 were placed in paid employment; 8,500 seniors confined to their homes were aided by friendly visits and telephone services.

Mr. President, the success of the Older Americans Act in Massachusetts is a tribute to the many dedicated workers in the field of aging in our Commonwealth whose ability and commitment have been so essential.

I would especially like to congratulate Msgr. Joseph T. Alves, chairman of the Massachusetts Commission on Aging, and John T. Sweeney, the commission's executive secretary.

In his Senate testimony on the proposed act back in 1965, Monsignor Alves said:

> Passage of this kind of legislation at the Federal and State level will give us the tools to forge a kind of effective partnership between local, State and Federal Government that could make for a genuine alliance for action in aging.

While there remains much room for much progress and improvement, I believe any fair observer would have to agree that we are well on the way toward forging the "genuine alliance for action in aging" which Monsignor Alves called for.

Mr. President, the bill which we are considering today would have three effects. First, it would extend and moderately increase authorizations for the Older Americans Act of 1965, which expired on June 30 of this year. Second, it would make a number of technical amendments which would improve administration of the act itself. Third, it would authorize two programs to provide service opportunities to older Americans. The new retired senior volunteer program—RSVP—would provide retired persons opportunities for service within their own communities. Volunteers would be compensated for transportation, meals, and other out-of-pocket expenses incidental to their services. The program would satisfy the desires of so many senior citizens to be active and useful and participating in the mainstream of society.

The foster grandparent program, which for several years has been operated by the Administration on Aging with funds delegated from the Office of Economic Opportunity, would be formally transferred to the Administration on Aging. Under this program low-income persons, aged 60 or older, are compensated for providing companionship and attention to foster children who are in need of this affection. The program provides senior citizens with needed income to supplement their inadequate retirement finances. It gives them the joy of serving where needed. It utilizes their experience and full background. It assists younger citizens who need the care.

As chairman of the Special Subcommittee on Aging in the U.S. Senate, I have worked closely on the problems and the needs and the accomplishments of the elderly. I have had the opportunity to recognize the importance of senior citizens across the Nation and in my home State of Massachusetts. I am committed to full programs for the aging.

Their organizations are strong. Their aspirations are exciting. Their contributions are substantial. And their needs are reasonable.

In the wealthiest nation in the world, with a gross national product rapidly approaching $1 trillion, it is outrageous to think that we cannot afford more than $1.41 per senior citizen per year. I think that we can do more, and I think that we must do more. The Older Americans Act gives us that opportunity.

Mr. President, in an age with great emphasis on youth and change and rebellion—in an age when memories are short and society less personalized—it is small wonder that our older citizens are often ignored. A small wonder, but a large disgrace.

We have an obligation to assist our seniors to continue full and rewarding lives. And we have an opportunity to benefit from their experience and dedication and talent and wisdom.

The Older Americans Act is based on this twofold premise. It has been a strong success in the 4 years since its enactment. Expanded programs under this act can do even more in the future. I urge passage of this legislation of the present bill to extend and expand the Older Americans Act of 1965.

Mr. WILLIAMS of New Jersey. Mr. President, the legislation before the Senate today is of direct importance to the 20 million Americans now 65 years and over, as well as all those now nearing that age.

When Congress passed the Older Americans Act in 1965, its intention was to establish a Federal agency that would concern itself, not just with the problems of the elderly, but also with their opportunities to live productive and satisfying lives.

The Administration on Aging has, during its first 3½ years, attempted to fulfill the congressional mandate, but of course it first had to build a foundation from which to work. Naturally, there had to be experimentation. Naturally, there had to be some false starts and—in some cases—no starts at all because of limited funds or other difficulties.

But, despite difficulties and the need for more adequate funding, the Administration on Aging has pioneered; it has shown what can be done and it has provided us with a wealth of experience and concrete results from individual programs and research projects.

For all these reasons, the Older Americans Act must be extended and it must be improved. The bill before the Senate today would do both, and it would also add an important program to enlist the elderly in service programs as volunteers. This innovative addition, together with the technical changes in administrative procedures, make this worthwhile and much-needed legislation. As chairman of the Senate Special Committee on Aging and as a Senator from a State with more than 650,000 persons of age 65 and over, I am proud and pleased to support it.

Mr. KENNEDY. Mr. President, on behalf of the Senator from Texas (Mr. YARBOROUGH), I ask unanimous consent that a statement prepared by him be inserted in the RECORD at this point.

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

> Mr. YARBOROUGH. The Older Americans Act extension under consideration by the Senate today is a renewal of an important and successful piece of legislation. The Older Americans Act has proven its worth in stimulating more effective use of existing resources for our older citizens and in promoting new programs which will make their lives fuller and richer.
>
> An example of this type of new program which is being authorized by this legislation is the National Older Americans Volunteer Program. This program will provide service opportunities for older Americans and allow the country and its younger citizens to benefit from the skills and experiences of citizens who have retired from jobs but who are ready to spend their time helping their fellow men.
>
> I wish to take this opportunity to commend the senior Senator from Massachusetts (Mr. KENNEDY) for his leadership in this field as chairman of the Aging Subcommittee of the Committee on Labor and Public

Welfare. It is through his dedicated efforts and those of the other members of the subcommittee that this legislation is before us today.

The Act has been successful in the past—in the last fiscal year eighty-three thousand older Americans were served through home maintenance, friendly visiting, or telephone reassurance services; seventeen thousand older Americans received the benefit of nutritional meals, home delivered to the homebound, and in friendly community settings for the healthy; eleven thousand older Americans were placed in paid, part-time jobs; forty-seven thousand older Americans received personal counseling services; and two hundred and ninety thousand older Americans participated in recreation and leisure time programs.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

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

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

The amendments were agreed to en bloc.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–340), explaining the purposes of the bill.

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

PURPOSES

H.R. 11235 has three principal purposes:

1. To extend the grant and contract programs of the Older Americans Act of 1965 beyond their June 30, 1969, expiration date, and to effect a modest increase in the authorizations for those programs;

2. To make a number of technical amendments to improve the administration of the act; and

3. To authorize a "National Older Americans Volunteer Program" to provide service opportunities for older Americans.

BACKGROUND

The Older Americans Act of 1965 (Public Law 89–73—July 14, 1965) created the Administration on Aging in the Department of Health, Education, and Welfare to serve as a central focus within the Government in all matters of concern to older people. The agency was given the responsibility to—

(1) Serve as a clearinghouse for information related to problems of the aged and aging;

(2) Assist the Secretary in all matters pertaining to problems of the aged and aging;

(3) Administer the grants provided by this act;

(4) Develop plans, conduct, and arrange for research and demonstration programs in the field of aging;

(5) Provide technical assistance and consultation to States and political subdivisions thereof with respect to programs for the aged and aging;

(6) Prepare, publish, and disseminate educational materials dealing with the welfare of older persons;

(7) Gather statistics in the field of aging which other Federal agencies are not collecting; and

(8) Stimulate more effective use of existing resources and available services for the aged and aging.

At the same time, the act authorized three programs of grants and contracts to encourage and support efforts designed to enrich the lives of older people:

Title III.—Grants for community planning, services, and training;

Title IV.—Grants and contracts for research and development projects; and

Title V.—Grants and contracts for training efforts to meet the widespread need for qualified personnel in the field of aging.

Under the act as enacted in 1965, authorizations for these grant and contract programs were scheduled to expire on June 30, 1967. Congress enacted the "Older Americans Act Amendments of 1967" (Public Law 90–42—July 1, 1967), to extend these authorizations for 2 years, through June 30, 1969.

PROGRESS UNDER THE ACT

1. *Title III activities.*—The Administration on Aging and the State agencies on aging have made significant progress in the 4 years of the act's existence. Only three States and one territory do not have title III programs in operation. There have been approximately 1,100 title III projects funded. It is estimated by the Administration on Aging that over 600,000 older persons are being served. In fiscal year 1968 alone, AOA reports:

Six thousand older Americans were served in their homes by homemaker or home health aid services;

Eighty-three thousand older Americans were served through home maintenance, friendly visiting, or telephone reassurance services;

Seventeen thousand older Americans received the benefits of nutritional meals, home delivered to the home-bound, and in friendly community settings for the healthy;

Eleven thousand older Americans were placed in paid, part-time jobs;

Forty-one thousand older Americans benefited from special transportation services for the frail, and for those without available public transportation;

Forty-seven thousand older Americans received personal counseling services;

Twenty-nine thousand older Americans volunteered their time and talents to the community;

Two hundred and ninety thousand older Americans participated in recreation and leisure time programs;

Four million older Americans resided in the areas covered by the local planning programs of title III.

The persons served by these programs represent the full spectrum of the social, economic, ethnic, and racial composition of the Nation.

2. *Title IV activities.*—The title IV research and development grant program is beginning to show results as the first of its multiyear projects are being completed. For example:

A nationwide study by the University of Denver refutes the stereotype of the older driver as a high insurance risk and potentially dangerous driver licensee.

The use of television for outreach and information and referral services has been successfully demonstrated by the educational television station in Hershey (WITF–TV) and by the statewide five-station educational television network in Minnesota.

A study of changes in life pattern caused by widowhood is being made by Roosevelt University to develop new content for counseling services.

Approximately $4 million has been invested in the 29 projects of a title IV nutrition program, which is testing nutrition program techniques in an effort not only to improve diet but also to enhance self-sufficiency and bring elderly participants into social contact with others.

3. *Title V activities.*—The title V training grants program has established 15 long-term university training programs at the masters degree level in areas where no previous training existed. These are occupations in aging concerned with—

Planning, evaluation, administration, and coordination at Federal, State, and community levels;

Administration and management of retirement housing, homes for the aged, and related facilities;

Management of multiservice senior centers; and

Specialized service needs of older persons in adult education, architecture, home economics, library science, and recreation.

The above programs currently have over 200 students in training.

Moreover, 24 short-term projects, together with training components of title III projects, have trained 4,750 persons already employed in the field of aging, or about to enter such employment.

In recognition of the importance of trained personnel to the success of programs in aging, this committee included in the Older Americans Act Amendments of 1967 a provision authorizing and directing the Secretary of HEW to undertake "a study and evaluation of the immediate and foreseeable need for trained personnel" in aging, "and of the availability and adequacy of the educational and training resources for persons preparing to work in such programs."

During 1968, the requested report was submitted by Secretary Cohen. Its conclusion is that there is "an urgent and increasing need for personnel" to serve in the field of aging. In addition, it states that "a projection of future demand * * * would place requirements for trained workers in 1980 at a level two and three times above that of 1968." Twenty-three recommendations are made for relieving present shortages and preventing future shortages of personnel trained to serve in aging programs.

The increased authorizations in H.R. 11235 can make possible a stepping up of Administration on Aging activity to meet the training challenge if Congress takes advantage of the opportunity to follow through with adequate appropriations for this purpose.

4. *Foster Grandparents.*—Since 1965, the Administration on Aging has operated the Foster Grandparent program, under contract with the Office of Economic Opportunity, with funds appropriated to that agency. This program began as a limited demonstration program in August 1965 with 21 projects. It now has 68 projects operating in 40 States and Puerto Rico. The services of 4,000 foster grandparents are being utilized to help 8,000 retarded, disturbed, or emotionally disadvantaged children every day. The Administration on Aging estimates that about 16,000 children are served by the program at one time or another during the course of a year.

These are illustrations of the ways in which the Older Americans Act has provided services and opportunities for the Nation's elderly that were previously unavailable or nonexistent.

HEARINGS

On June 19, 1969, hearings on H.R. 11235 and similar proposals were conducted by the Special Subcommittee on Aging, Senate Committee on Labor and Public Welfare. Among those testifying on behalf of the amendments were Commissioner John B. Martin of the Administration on Aging, which administers the Older Americans Act; representatives of the National Council on the Aging, the American Association of Retired Persons—National Retired Teachers Association, the National Council of Senior Citizens, and the National Association of State Units on Aging, and participants in Project Serve, a service project for the elderly on Staten Island, N.Y.

While there were minor differences as to the details of the legislation, all who testified were unanimous in endorsing the principal provisions and objectives of H.R. 11235.

VOLUNTEER SERVICE

Of particular interest was the testimony on the value to older persons of rendering services needed in their communities. Mrs. Janet Sainer, project director of Project Serve, testified:

We wish to record our gratification about the recognition given to the value and importance of volunteer service by the RSVP provision, the Retired Senior Volunteer Program of H.R. 11235 passed last Monday.

This national older Americans volunteer program is a forward-looking concept of care and concern for the elderly stressing the positive potential of the older person and emphasizing his dignity and self-esteem.

Such a program enables him to be the giver rather than the receiver of services. Such a program gives him the status and the recognition that is so often lacking in the later years and such a program creates a new image of the aging in the community.

Our experience in Serve * * * has shown that older persons can contribute in many significant ways if encouraged and if given the opportunity.

Mr. Fred Russbild, an elderly person who participates in that program, testified as follows as to what such service means to those who serve:

"We are happy to be able to do something * * * my wife and I signed up. We have never regretted it. We have found happiness and fulfillment in giving to those who can use our efforts to best advantage. We * * * would not give this up for anything in the world. Neither would any one of the other volunteers that I have known who go there. They are eager to come. They meet through hailstorm or rainstorm. Nothing keeps them away * * * Whenever in a meeting it is brought up that * * * the project may stop, it is amazing the way those faces drop and blanch * * * Our week is not empty. We don't vegetate. We live. We live for a purpose, to serve * * *"

As a result of these hearings and the deliberations of the committee and its Special Subcommittee on Aging, H.R. 11235 as it passed the House has been amended in two respects.

AMENDMENTS

1. Reallotment of allotments for planning, coordination, and evaluation and administration of State plans

Section 4 of the bill would amend section 304 of the act to provide for a Federal allotment of at least $75,000 to each State for fiscal years 1970, 1971, and 1972 for planning, coordination, and evaluation and administration of State plans. The committee feels that such activity is vitally important to effective programs for older Americans. Therefore, the bill puts added incentive on States to move ahead on planning, coordination, and evaluation and administration of State plans by reallotting funds which a State cannot use for this purpose in a given fiscal year and making them available to States which can use the funds.

The committee recognizes, however, that the strict reallotment provision would work an undue hardship on States which do not have the legal authority to utilize all of their allotments for these purposes at the present time.

Robert B. Robinson, president, National Association of State Units on Aging, testified at the June 19, 1969, hearing:

One matter that does concern me is the reallocation of nonexpended administration funds. * * * This is the requirement that I use all of the $75,000 proposed for State planning, coordination, evaluation, and administration, or have the unused funds portion reallocated to other States for these same purposes.

I would prefer that the States be given the opportunity to shift any unused portion to title III project support for a period of 2 years, so that the States whose legislatures have already adjourned and those which meet on a biennium basis, can have time to adjust to this new provision.

To protect States which lack legal authority to use these funds and whose legislatures may have adjourned or meet on a biennial basis and therefore must delay getting such authority, the committee adopted an amendment providing that whenever a State, during a part of the fiscal year 1970 or of the fiscal year 1971, lacks authority under State law to use all of its allotment for planning, coordination, evaluation, and administration, that portion of its allotment which it is unable to use for lack of authority under State law during a portion of 1970, 1971, or both shall be temporarily carried over (and not be subject to reallotment).

States would fall into four classifications, according to their authority under State law to expend the full amount of their allotments. The precise effect of this amendment on the four classes of States would be as follows:

"Class A" States, those having authority under State law to expend the full amounts of their allotments on the effective date of the proposed act: The amendment would not apply to these States. Under another provision of the proposed act, allotments to these States would be subject to reallotment on the effective date of the act and at all times thereafter. The portion of an appropriation which is subject to allotment to these States will, if not expended by them or reallotted to other States and spent by them before the end of the fiscal year for which appropriated, expire and revert to the Treasury at that time.

"Class B" States, those lacking authority under State law to expend the full amount of their allotments on the effective date of the proposed act, but acquiring that authority at some time during the current fiscal year (which ends June 30, 1970): The amount of the allotment to a State in this class which the Secretary determines the State did not have authority under State law to expend during a part of the current fiscal year would remain available to the State until June 30, 1971. However, any part of the allotment to that State for the current fiscal year which is not expended prior to July 1, 1970, would be subject to reallotment on and after that date. Allotments to these States for the fiscal years beginning on and after July 1, 1970, would be subject to reallotment on and after that date, just as if these States had never lacked authority under State law to expend their full allotments.

The portion of an appropriation which is subject to allotment to these States during the current fiscal year which is determined by the Secretary not to be expendable by them will not expire and revert to the Treasury if not spent by them on or before June 30, 1970, but will remain available until June 30, 1971. However, if not expended by these States or by the States to which reallotted during fiscal year 1971, these appropriations will expire at the end of that fiscal year.

"Class C" States, those lacking authority under State law on the effective date of the proposed act and at all times during the current fiscal year to expend the full amount of their allotments, but which acquire that authority at some time during the fiscal year 1971: The amount of the allotment to such a State which the Secretary determines the State did not have authority under State law to expend during fiscal year 1970 and a portion of fiscal year 1971 would remain available to the State until June 30, 1972. However, any part of the allotments to that State for the fiscal years 1970 and 1971 which is not expended prior to July 1, 1971, would be subject to reallotment on and after that date. Allotments to these States for fiscal years beginning on and after that date would be subject to reallotment on and after that date, just as if these States had never lacked authority under State law to expend their full allotments.

The portion of an appropriation which is subject to allotment to these States during fiscal years 1970 and 1971 which is determined by the Secretary not to be expendable by them will not expire at the end of these fiscal years, but will remain available until June 30, 1972. However, if not expended by that date, these appropriations will then expire.

Class D States, those lacking authority under State law on the effective date of the proposed act and at all times during the current fiscal year and fiscal year 1971 to expend the full amount of their allotments: The amount of the allotments to these States which the Secretary determines the States did not have authority under State law to expend during those fiscal years would remain available to the States until June 30, 1972. However, any part of the allotments to those States for the fiscal years 1970 and 1971 which they did not expend prior to July 1, 1971, would be subject to reallotment on and after that date. Allotment to these States for fiscal years beginning on and after that date would be subject to reallotment on and after that date.

The portion of an appropriation which is subject to allotment to these States during fiscal years 1970 and 1971 which is determined by the Secretary not to be expendable by them will not expire at the end of these fiscal years, but will remain available until June 30, 1972. However, if not expended by that date, these appropriations will then expire.

For purposes of this amendment, it is important to understand that making funds "available to" a State after the fiscal year during which they were allotted to the State, under the proposed paragraph (3) of section 304(b) of the act, would not give the State an irrevocable claim to the funds. They would be "subject to reallotment" after the dates prescribed in the amendment, and could then be reallotted in the same way in which funds allotted by paragraph (3) but not subject to the amendment can be reallotted.

2. Requirement that Foster Grandparents be older persons of low income

In requiring in section 612(a)(1)(A) that participants be "of low income," the committee expects that the Secretary will follow the poverty guidelines as developed and applied in programs under the Office of Economic Opportunity. With only a few thousand foster grandparents slots available the committee feels that very strong priority must be given to those older Americans who fall under the poverty line—over 5 million at present. As the Foster Grandparent program is transferred from the Office of Economic Opportunity to the Department of Health, Education, and Welfare, the committee opposes weakening of its poverty orientation.

The committee also recognizes that some degree of flexibility in the Secretary can help to achieve most effectively the goals of the Foster Grandparent program. For this reason, a "grandfather clause" has been added qualifying the requirement of section 612(a)(1)(A) so that it reads that "new participants" must be "of low income.". The committee's intent is to make explicit the policy that persons who already are participating in the foster grandparent program at the present time and whose incomes may be slightly above the strict poverty line will not by virtue of section 612(a)(1)(A), be barred from further participation.

As a result of the new Retired Senior Volunteer Program proposed to be established by part A of the proposed title VI, persons whose incomes fall above the poverty line

will have an alternative to participating in foster grandparent and other activity. But in borderline cases, for example where a person in a foster grandparent program has a small rise in income which carries him slightly above the poverty line, the Secretary will have the discretion to retain him in the program. The Secretary also can exercise flexibility in other exceptional circumstances. Otherwise the committee intends that the Secretary be firmly guided by the poverty guidelines promulgated by the Office of Economic Opportunity.

SUMMARY OF PRINCIPAL PROVISIONS OF THE BILL

As stated earlier in the report, there are three principal purposes of the bill. Its provisions are summarized below under these purposes.

First purpose.—To extend the grant and contract programs of the Older Americans Act of 1965 beyond their June 30, 1969, expiration date, and to effect a modest increase in the authorizations for these programs.

Title III (grants for community planning, services, and training) authorizations would be increased from $16 million for fiscal year 1969 to $20 million for 1970, $25 million for 1971, and $30 million for 1972 (plus $5 million in each of those years for State plan administration and $5 million in 1970 and $10 million in 1971 and 1972 for "statewide, regional, metropolitan area or other areawide model projects.")

Authorization for title IV (research and development projects) and title V (training projects) would be increased from $10 million for fiscal year 1969 to $12 million for 1970, $15 million for 1971, and $20 million for 1972.

Second purpose.—To make a number of technical amendments to improve the administration of the act.

Would repeal prohibition of Federal support for title III projects beyond 3 years, and would permit Federal support for certain selected projects for unlimited number of years at 50 percent for fourth and subsequent years.

Would insert a new State plan requirement that the State plan "provide for statewide planning, coordination, and evaluation of programs and activities related to the purposes of the act, in accordance with criteria established by the Secretary after consultation with representatives of State agencies.

Would authorize appropriations for State plan administration separate from the authorization for title III project support (at present, both purposes are achieved from the same authorization and appropriation); $5 million would be authorized for fiscal year 1970 and each of the next 2 fiscal years. These funds would be allotted to States and territories on the basis of a formula, with a minimum of $75,000 to each State. The Secretary would be authorized to reallot any such allotment to a State which he determines will not be required for this purpose in that State. However, he would not be permitted to reallot before July 1, 1971, any portion of an allotment for fiscal years 1970 or 1971 which the State lacked legal authority to use for this purpose during any part of the year for which it was allotted.

Would insert a new requirement that the State plan "provide satisfactory assurance that there will be expended for carrying out the plan for each fiscal year, from State funds other than Federal funds, not less than the amount expended for fiscal year 1969.

Minimum allotment to each State for State plan administration would be increased from $25,000 to $75,000.

Percentage of costs of State plan administration that can be paid from Federal funds be increased from 50 to 75 percent.

Would authorize the Secretary (under a separate title III authorization) to pay up to 75 percent of the cost of the development and operation of statewide, regional, metropolitan area, or other areawide model projects for carrying out the purposes of title III. Not more than 10 percent of title III funds could be set aside for this purpose.

A portion of State's title III allotment could be reallotted to other States if the Secretary determined that State will not need it for carrying out the State plan. (Replaces the requirement that the State to which such funds are allotted notify the Secretary that they are not needed.)

The Secretary would be authorized to make contracts with (but not grants to) any agency, organization or institution (even though it is not a nonprofit organization) for research and development and training projects. As at present, grants could only be made to public or nonprofit private agencies, organizations, or institutions.

Third purpose.—To authorize a "National Older Americans Volunteer Program," providing service opportunities for older Americans.

Would authorize a "Retired Senior Volunteer Program (RSVP)" to recruit individuals aged 60 or over to provide services needed in their own communities, without compensation other than for transportation, meals, and other out-of-pocket expenses incident to their services. Authorizations for this program would be $5 million for 1970, $10 million for 1971, and $15 million for 1972.

Would also authorize as the other component of the "National Older Americans Volunteer Program" a foster grandparent program. While the Administration on Aging is presently administering a foster grandparent program with funds from the Office of Economic Opportunity, this provision would, for the first time provide specific authorization for the program as an ongoing program and give direct authorization to the Administration on Aging to administer it with its own funds, thus effecting a complete transfer of the program from the Office of Economic Opportunity. Although the program would be removed from OEO, there would be a requirement that new participants be "older persons of low income who are no longer in the regular work force."

Authorizations for the foster grandparent program would be $15 million for 1970, $20 million for 1971, and $25 million for 1972.

THE LYNDON B. JOHNSON NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (S. 2000) to establish the Lyndon B. Johnson National Historic Site, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 10, after "Sec. 2." to strike out "The Secretary of the Interior is authorized to acquire by donation or otherwise the real property or interests therein within the boundaries which he designates and the personal property associated therewith." and insert "The Secretary of the Interior is authorized to acquire by donation or by purchase with donated funds only, the real and personal property or interests therein within the boundaries which he designates."; and on page 2, after line 11, insert a new section, as follows:

SEC. 4. There are hereby authorized to be appropriated not to exceed $180,000 to provide for the development of the Lyndon B. Johnson National Historic Site.

So as to make the bill read:

S. 2000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the site of the birth of Lyndon Baines Johnson, thirty-sixth President of the United States, located near Hye in Blanco County, Texas, and that certain property known as the Lyndon B. Johnson Boyhood Home in Johnson City, Texas, are hereby designated as the Lyndon B. Johnson National Historic Site, the boundaries thereof to be designated by the Secretary of the Interior.

SEC. 2. The Secretary of the Interior is authorized to acquire by donation or by purchase with donated funds only, the real and personal property or interests therein within the boundaries which he designates.

SEC. 3. The Lyndon B. Johnson National Historic Site shall be administered by the Secretary of the Interior in accordance with the laws applicable to the national park system.

SEC. 4. There are hereby authorized to be appropriated not to exceed $180,000 to provide for the development of the Lyndon B. Johnson National Historic Site.

Mr. BYRD of West Virginia. Mr. President, the senior Senator from Texas (Mr. YARBOROUGH) is necessarily absent and he left with me a statement on the passage of S. 2000, the bill to create a Lyndon B. Johnson National Historic Site. I ask unanimous consent that Senator YARBOROUGH'S statement appear in the RECORD at this point.

There being no objection, the state- and children receive less than the so-called RECORD, as follows:

THE L. B. J. HISTORIC SITE—A FITTING TRIBUTE

Mr. YARBOROUGH. Mr. President, I am highly gratified at Senate passage of S. 2000, to create an L. B. J. National Historic Site. President Johnson will certainly be listed as one of our greatest Presidents and future generations of Americans will thank us for setting aside the site of his birth and the home in which he grew up as a historic monument.

It is a fitting tribute to a great American and, in my opinion, only a small way for us to say "Thank you, Mr. President."

The amendments were agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–364), explaining the purposes of the bill.

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

DESCRIPTION

The Lyndon B. Johnson National Historic Site will consist of two principal areas:

(1) the President's birthplace within walking distance of the LBJ Ranch, and

(2) his boyhood home, 13 miles east in Johnson City.

The birthplace is just off U.S. 290 at Stonewall, Tex. Across the street is the Johnson family cemetery—and directly across the river is the LBJ Ranch. In the area it is proposed to reconstruct some of the outbuildings in the birthplace area and to increase more than double the 18-space parking lot now in existence. It is also proposed to install walkways and a three-rail fence around the yard. The birthplace is currently open to the public 4 hours a day and is staffed by a director, caretaker, and volunteer hostesses.

His boyhood home is a small house located at the intersection of U.S. 290 and U.S. 281. It was in this house that Lyndon Johnson spent his boyhood and young manhood. Like the birthplace, the boyhood home has been

somewhat modernized to make an apartment for the director living there, and minor rehabilitation may be needed in the future.

It will be necessary to provide visitor parking on a side street. Outside the house itself it is proposed to prepare an interpretive introduction and an exhibit of articles not appropriate as furnishings yet which will add meaning to the site. The wellhouse and barn which were on the property when Lyndon Johnson lived there as a boy will be reconstructed. Landscaping of the property will include a new stone and concrete walkway between the dwelling and the parking lot, and orchard, a wildflower display, and a three-rail fence to replace the one now in existence.

Since the Johnson City Foundation has stated its desire to donate to the United States the land on which the birthplace and boyhood home are located, the committee believes no funds should be authorized for additional land acquisition, it being assured that the foundation will finance any additional acreage needed.

COSTS

The second amendment to the bill would limit the authorization for funds to $180,000 to be used exclusively for development. It was testified that operation costs for the two areas is expected to be $120,000 annually.

The committee recommends enactment of the bill as amended.

THE EISENHOWER NATIONAL HISTORIC SITE

The Senate proceeded to consider the joint resolution (S.J. Res. 26) to provide for the development of the Eisenhower National Historic Site at Gettysburg, Pa., and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 1, after the word "appropriated" to strike out "such sums as may be necessary" and insert "not to exceed $1,108,000"; and, after line 5, to insert a new section, as follows:

SEC. 2. There are hereby excluded from the boundaries of Gettysburg National Military Park, and included within the boundaries of the Eisenhower National Historic Site, the lands and interests therein identified as "Additions to Eisenhower NHS" on the drawing entitled "Proposed Additions to Eisenhower National Historic Site", numbered EISE–20,000, and dated June 1969, which is on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

So as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated not to exceed $1,108,000 for the development of the Eisenhower National Historic Site at Gettysburg, Pennsylvania, which may be expended only upon termination of the estates reserved by the donors.

SEC. 2. There are hereby excluded from the boundaries of Gettysburg National Military Park, and included within the boundaries of the Eisenhower National Historic Site, the lands and interests therein identified as "Additions to Eisenhower NHS" on the drawing entitled "Proposed Additions to Eisenhower National Historic Site", numbered EISE–20,000, and dated June 1969, which is on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

The amendments were agreed to.

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

The preamble was amended, so as to read:

Whereas the Secretary of the Interior has designated, under authority of the Act of August 21, 1935 (49 Stat. 666), the Gettysburg, Pennsylvania, farm of the late General Dwight D. Eisenhower, thirty-fourth President of the United States, as the Eisenhower National Historic Site; and

Whereas the Secretary's order of designation prohibits the use of funds appropriated to the Department of the Interior for the development of the national historic site unless otherwise authorized by Act of Congress: Now, therefore, be it

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–365), explaining the purposes of the joint resolution.

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

NEED

The Eisenhower National Historic Site is located in the area of one of our Nation's most significant military engagements, the Civil War Battle of Gettysburg.

It was this historic aspect which first attracted General Eisenhower to the spot and which further enhances its value to the Nation as a national historic site. General Eisenhower bought the farm in 1950. Its principal significance began in the early 1950's when the general became the 34th President of the United States. After 1961 the farm was the retirement home of General and Mrs. Eisenhower until his death in early 1969.

In 1967 the Eisenhowers donated their Gettysburg residence and surrounding 230 acres of farmland to the United States, subject to a life estate retained by General and Mrs. Eisenhower, and the right of the survivor to continue to live there for a period not to exceed 6 months. However, since General Eisenhower's death last March, Mrs. Eisenhower at her own request, has been extended permission to continue to reside at their home indefinitely by the issuance of a special use permit now in effect. The farmhouse and immediately surrounding 14 acres are the subject of the special use permit. The remainder of the 230-acre farm, together with the adjacent Federal lands, donated to the Federal Government by the Alton Jones Foundation have been leased for farming purposes and will be developed with visitor facilities.

The Department proposes in its report that the 262-acre adjacent Alton Jones farm, used for many years by the Eisenhowers, be removed from the Gettysburg National Military Park and made a part of the Eisenhower National Historic Site.

The development plan includes keeping the hayfields, croplands of barley and oats, the General's garden, and the Black Angus cattle.

A visitor center and parking facilities, as well as improving existing walks and roadways and adapting the farm to visitor use in general are proposed.

It is not intended to initiate any of the proposed developments as long as Mrs. Eisenhower occupies the farm.

THE FARM OPERATION

Testimony presented at the hearings on the resolution indicated that the National Park Service operated farms in at least three other sites under its jurisdiction: at Wakefield, Va., at the Lincoln Boyhood Memorial in Indiana and at Oxon Hill near Washington, D.C., as well as the one at the Eisenhower site.

The committee expressed considerable concern over the advisability of the Park Service entering into this type of operation. It was the consensus of the members that where possible these facilities should be leased to qualified individuals who should not only be able to maintain the lands, and improvements in an adequate manner, but return a substantial rental to the Government.

It was the committee position that this area should be a revenue producer, and that in the case of the Eisenhower site the estimated annual operation cost of $178,000 could be substantially reduced through a proper lease arrangement. It is recognized, of course, that the maintenance costs of the 14-acre tract under permit to Mrs. Eisenhower will not be an obligation of the Government during the term of the permit.

AMENDMENTS

A new section 2 was added to the resolution providing for the transfer of the Alton Jones Farm of 262 acres donated to the Gettysburg National Military Park to the Eisenhower National Historic Site as recommended by the Department of Interior. These lands that were donated to the Government in 1962 have been used since that time as a part of the Eisenhower Farm operation under a reservation contained in the original grant. A second amendment limits the authorization to $1,080,000 for development of the historic site.

The Interior and Insular Affairs Committee recommend enactment of Senate Joint Resolution 26, as amended.

EXCLUSION OF OFFICERS AND EMPLOYEES OF WESTERN HEMISPHERE BUSINESSES FROM BEING CHARGED AGAINST THE WESTERN HEMISPHERE IMMIGRATION QUOTA

The Senate proceeded to consider the bill (S. 2593) to exclude officers and employees of Western Hemisphere businesses from being charged against the Western Hemisphere immigration quota, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 1, after the word "an" to strike out "officer or employee" and insert "executive officer or managerial employee"; so as to make the bill read:

S. 2593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21(e) of the Act entitled "An Act to amend the Immigration and Nationality Act, and for other purposes", approved October 3, 1965 (79 Stat. 921; 8 U.S.C. 1151 note), is amended by inserting after "that Act" the following: "and exclusive of any special immigrant who, at the time of applying for a visa and admission to the United States and at the time of arrival at a port of entry in the United States, is an executive officer or managerial employee (or who is the spouse or child of any such immigrant, if accompanying or following to join him) of a business in the Western Hemisphere and who is being assigned to a branch office, affiliate, or subsidiary of the business located in the United States".

Mr. HART. Mr. President, I wish to indicate my support of the bill to amend the Immigration and Nationality Act and to commend the distinguished Senator from North Carolina (Mr. ERVIN) for his leadership in moving this necessary legislation.

On July 1, 1968, the Immigration Act of 1965 imposed a numerical ceiling of 120,000 on annual immigration to the United States from Western Hemisphere countries. Since then we have witnessed growing difficulties involving the transfer of executive and managerial employees of Western Hemisphere business concerns to branch offices and affiliates in the United States.

Before the ceiling went into effect, immigrant visas were issued freely and with minimum delay. The ceiling, however—and the first-come, first-serve basis on which it operates—has thrown roadblocks in the way of visa applicants, causing delays of up to 10 or 12 months before a visa is issued. Inevitably, the situation is causing severe hardship to business concerns in Canada and elsewhere. Sensitive as I must be to problems of this nature, which involve Michigan businesses and personnel in Canada, I believe the pending bill is a remedy which is in the interest of all concerned, wherever we may live.

The bill simply provides that executive and managerial employees of Western Hemisphere business concerns, being transferred to offices in the United States, will be issued immigrant visas as "special immigrants." This means that such employees will come into this country without delay—and without regard to the numerical ceiling and the first-come-first-served principle which generally applies to visa applicants.

I was hopeful that an administrative solution could be found for the problem. But every indicator suggests a need for legislation.

In my book, while the enactment of the pending bill will not solve all the problems generated by our new policy toward Western Hemisphere immigration, it is a step in the right direction, encouraging a greater freedom of movement and, most important, a more open border with our immediate neighbors to the north and south.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill to exclude executive officers and managerial personnel of Western Hemisphere businesses from the numerical limitation of Western Hemisphere immigration."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–366) 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 the bill, as amended, is to facilitate the entry into the United States of executive officers and managerial personnel of Western Hemisphere businesses having branch offices, affiliates, or subsidiary corporations in the United States. The amendments are clarifying in nature.

STATEMENT

Section 21(e) of the act of October 3, 1965 provided that effective on July 1, 1968 the number of immigrants from the Western Hemisphere admitted into the United States could not exceed 120,000 in any 1 year. The act did not establish any preference system for selecting these immigrants, nor did the act set any quotas or ceilings on the natives of any single country who could be issued immigrant visas. Since the number of applicants for immigration from the Western Hemisphere countries to the United States greatly exceeds the annual ceiling of 120,000 natives of those countries applying for admission as immigrants may be issued visas only in accordance with their competitive position on the waiting list with respect to all other natives of the Western Hemisphere. In other words, in the administration of the act, the visas are issued to all natives of Western Hemisphere countries on a first-come, first-served basis.

It has been brought to the attention of the committee that imposition of the numerical limitation on Western Hemisphere immigration has resulted in a serious disruption of the traditional conduct of trade and commerce between Western Hemisphere countries and the United States. Western Hemisphere businesses having affiliate corporations or branch offices in the United States have numerous occasions for transferring to the affiliate corporations or branch offices many of their executive officers or managerial personnel. While these managerial personnel may be ultimately retransferred to the parent business, they are required under present law to enter the United States as immigrants. However, because of the numerical limitation imposed upon the number of immigrants who may enter from Western Hemisphere countries in any one year, businesses have been experiencing extended delays in obtaining immigrant visas for this managerial personnel. This has resulted in serious difficulties in planning their operations in the United States.

Our business, cultural and trading relations with the Western Hemisphere countries are of such a nature that in the normal course of business operations it is necessary for the Western Hemisphere businesses to be able to promote or transfer personnel freely to their branch offices or affiliates in the United States. In view of the peculiar hardships involved, the bill would modify existing law in such manner as to permit a freer movement of executive officers and managerial employees of the Western Hemisphere businesses into this country if they have branch offices, affiliates, or subsidiaries in the United States by excluding such persons from the numerical limitation on Western Hemisphere immigration. This proposed change would extend to Western Hemisphere businesses similar privileges to those which American businesses enjoy with respect to the transfer of managerial personnel to branches, affiliates, and subsidiaries in other Western Hemisphere countries.

The committee, after consideration of all the facts, is of the opinion that the bill (S. 2593), as amended, should be enacted.

LLOYD L. WARD, JR.

The resolution (S. Res. 97) to refer S. 1003 to the Court of Claims was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF THE SMALL BUSINESS INVESTMENT ACT OF 1958

The bill (S. 2540) to amend the Small Business Investment Act of 1958 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 303(b) of the Small Business Investment Act of 1958 is amended to read as follows: "To encourage the formation and growth of small business investment companies the administration is authorized (but only to the extent that the necessary funds are not available to the company involved from private sources on reasonable terms) to purchase, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis (including guarantee agreements), the debentures of any such company."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–369), 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

S. 2540 would clarify the Small Business Administration's authority to enter into guarantee agreements on loans made by private lending institutions to small business investment companies.

HISTORY OF THE LEGISLATION

S. 2540 was introduced by Senator McIntyre for himself and Senator Percy on July 2, 1969. Hearings were held on the bill on July 8, 9, and 11, 1969, by the Small Business Subcommittee. At those hearings the subcommittee received testimony from officials of the Small Business Administration and officials of the National Association of Small Business Investment Companies.

GENERAL STATEMENT

In 1967 amendments to the Small Business Investment Act rewrote section 303(b) to revise significantly the basic structure of SBA financing for SBIC's. In making this revision the words "or deferred (Standby)" were deleted. Though the act specifies SBA authority to participate with private lenders in loans to SBIC's, a number of lending institutions have questioned whether SBA presently has authority to guarantee loans to SBIC's. In order to make such authority clear, this bill is necessary.

The SBIC program has provided more than $1.5 billion to small business since its inception, in more than 30,000 separate financings. In the most recent 6-month period for which data is available, ending September 30, 1968, the industry disbursed $95 million to small business concerns. With the investment of the SBIC's venture capital funds and the ensuing financial and management counseling provided by the SBIC, the program has made a significant contribution to meeting the financing needs of small business.

However, in order to implement the statutory framework of SBA matching financial assistance to the SBIC's, it has become apparent that direct Federal appropriations must be supplemented by attracting additional private capital through means of SBA guarantees. SBA has began attempting to develop a flexible guarantee program which will allow the SBIC industry access to private funds in accord with the demands of the financial marketplace. This legislation is an essential element in establishing such an effective SBA guarantee program necessary to carry out the purposes of the Small Business Investment Act.

The bill would clarify and reaffirm SBA's

authority to guarantee to private lending institutions the timely payment of all principal and interest for the full term of the loans made to SBIC's. Institutional investors must be confident of clear and comprehensive SBA statutory authority to guarantee all payments as scheduled in order to allow the SBIC's to obtain sound, long-term financing on the private market.

SMALL BUSINESS ADMINISTRATION LEGISLATION FOR 1969

The bill (S. 2815) to amend sec. 4(c) of the Small Business Act and secs. 302 and 304 of the Small Business Investment Act of 1958 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 4(C) of section 4(c) of the Small Business Act is amended by striking out "$300,000,000" and inserting in lieu thereof "$500,000,000".

SEC. 2. Section 302 of the Small Business Investment Act of 1958 is amended by striking out "Notwithstanding the provisions of section 6(a)(1) of the Bank Holding Company Act of 1956, shares of stock in" and inserting in lieu thereof the following: "Shares of stock and other equity and debt securities issued by".

SEC. 3. (a) Section 304(a) of the Small Business Investment Act of 1958 is amended by inserting "and unincorporated" after "incorporated".

(b) Section 304(d) of such Act is amended by inserting "and unincorporated" after the word "incorporated" the first time such word appears.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–370), 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 bill would increase the ceiling on the amount of loans which can be outstanding at one time for loans to State and local development companies under title V of the Small Business Investment Act of 1958 from $300 million to $500 million. It would clarify the right of banks to purchase the debentures of SBIC's. It would also permit SBIC's to make equity type loans to unincorporated as well as incorporated companies.

HISTORY OF LEGISLATION

On July 8, 9, and 11, 1969, the Small Business Subcommittee held hearings on the small business bills pending before it. At those hearings the subcommittee received testimony from Government witnesses, officials of the National Association of Small Business Investment Companies, and private individuals.

AMENDMENT TO THE SMALL BUSINESS ACT MADE BY THE BILL

Increase the ceiling on the amount of loans which may be outstanding in State and local development company loans.—Section 1 of the bill increases the ceiling on the amount of loans which may be outstanding at any one time on loans made to State and local development companies under section V of the Small Business Investment Act of 1958 from $300 million to $500 million. It is estimated by SBA that this increase will permit SBA to operate these lending programs until June 30, 1972.

The following table shows the increase in the activities of these programs until fiscal year 1972.

ESTIMATED DEVELOPMENT COMPANY LIMITATION REQUIREMENTS FISCAL YEARS 1969–72

[Dollars in millions]

	Budget estimates		Projected	
	Fiscal year 1969	Fiscal year 1970	Fiscal year 1971	Fiscal year 1972
Outstanding loans and commitments, start of year	$205.8	$256.8	$322.5	$386.6
Plus new loan approvals	67.0	86.0	86.0	86.0
Minus:				
Loan repayments	10.5	11.2	12.8	14.4
Cancellations	5.5	9.1	9.1	9.1
Total	16.0	20.3	21.9	23.5
Outstanding loans and commitments, end of year	256.8	322.5	386.6	449.1
Plus: contingency reserve		27.5	38.4	50.9
Recommended limitation		350.0	425.0	500.0

Clarify banks' ability to purchase debentures of SBIC's.—Section 2 of the bill amends section 302 by amending subsection (b) to strike an obsolete reference to section 6 of the Bank Holding Company Act of 1956, which was repealed by section 9 of Public Law 89–485. The new language of subsection (b) would make "other equity and debt securities" as well as shares of stocks issued by small business investment companies eligible for purchase by national banks. These securities would also be eligible for purchase by other member banks of the Federal Reserve System and nonmember insured banks to the extent permitted under applicable State law.

12 U.S.C. 24 permits a national bank to invest up to 10 percent of its capital stock actually paid in and unimpaired and 10 percent of its unimpaired surplus in investment securities. Investment securities are defined in the code as "marketable obligations." There has been some question as to whether debentures issued by SBIC's have been accepted by the market. This provision of the bill would make it clear that the debenture bonds issued by SBIC's are eligible for purchase by banks. The committee believes that this can be a valuable source of private funds for SBIC's.

Permit SBIC's to make equity investment in unincorporated businesses.—Section 304 of the Small Business Investment Act of 1958 permits SBIC to make equity investments only in incorporated small businesses.

Section 3 of the bill would broaden SBIC's authority and permit them to make equity investment in both incorporated and unincorporated small businesses.

Statistics show that about 85 percent of all American businesses are unincorporated. This means that there are many partnerships in which opportunities exist for SBIC's to make investments which could prove profitable to both the SBIC and the small business concern. The committee believes that this investment should take the form of limited partnerships and under regulations issued by the Small Business Administration covering such investments.

MODIFICATION OF THE OPERATION OF THE KORTES UNIT, MISSOURI RIVER BASIN PROJECT, WYOMING

The bill (S. 40) to authorize the Secretary of the Interior to modify the operation of the Kortes unit, Missouri River Basin project, Wyoming, for fishery conservation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 40

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to modify the operation of the Kortes unit, Missouri River Basin project, Wyoming, authorized by the Act of December 22, 1944 (58 Stat. 887), to provide for the conservation of fishery resources.

SEC. 2. The Secretary shall operate the Kortes unit so as to maintain a minimum streamflow of five hundred cubic feet per second in the reach of the North Platte River between Kortes Dam and the normal headwaters of Pathfinder Reservoir: *Provided,* That sufficient water is available to maintain such minimum flow, without a resultant adverse effect on other water users who have valid rights to the use of this water: *Provided further,* That when sufficient water is not available to operate in this manner, water will be reserved for hydroelectric peaking power operations on a four-hour daily, five-day-week basis and any remaining water will be released for conservation of the fishery resources.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–371), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of this legislation, which was introduced by Senator Hansen, is to permit the Secretary of the Interior to operate the Kortes unit in such a way as to maintain sufficient flows in the North Platte River below Kortes Dam to enhance fisheries.

BACKGROUND

The Kortes unit is an existing unit of the Missouri River Basin project. It consists of the Kortes Reservoir, Dam, and powerplant and is located on the North Platte River in Carbon County, Wyo. The Kortes Reservoir lies between the Seminoe Reservoir of the Kendrick project which is immediately upstream and the Pathfinder Reservoir of the North Platte project which lies immediately downstream.

The Kortes unit was authorized for construction, as one of the initial units of the Missouri River Basin project, by the Flood Control Act of 1944 for the single purpose of hydroelectric power generation. Construction of the unit was completed in 1951, and it has been operated for power since that time.

As a result of recommendations resulting from studies made by the Wyoming Game & Fish Commission in cooperation with the U.S. Fish and Wildlife Service, the Bureau of Reclamation has been operating the Kortes unit in a manner to enhance the downstream sport fishery since the 1964 water-year. This operation is on a year-to-year basis and subject to commitments for water and power.

A bill to authorize permanent operation for fisheries (S. 2553, 90th Cong.) was considered in the 90th Congress. Hearings were held on that bill by the Subcommittee on Water and Power Resources on March 18, 1968. It passed the Senate on October 2, 1968, in a form which was similar to S. 40 of the 91st Congress, but no action was taken in the House.

AMENDMENT OF THE ACT ENTITLED "AN ACT TO AUTHORIZE THE SALE AND EXCHANGE OF ISOLATED TRACTS OF TRIBAL LAND ON THE ROSEBUD SIOUX INDIAN RESERVATION, SOUTH DAKOTA"

The Senate proceeded to consider the bill (S. 73) to amend the act entitled "An Act to authorize the sale and exchange of isolated tracts of tribal land on the Rosebud Sioux Indian Reservation, South Dakota," which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 11, after the word "Indian," to insert "member of the Rosebud Sioux Tribe"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of December 11, 1963 (77 Stat. 349, Public Law 88–196), entitled "An Act to authorize the sale and exchange of isolated tracts of tribal land on the Rosebud Sioux Indian Reservation, South Dakota", be and the same is hereby amended by adding a section 3 reading as follows:

"SEC. 3. Any land mortgaged under section 2 of this Act shall be subject to foreclosure or sale pursuant to the terms of such mortgage or deed of trust in accordance with the laws of South Dakota. For the purpose of any foreclosure or sale proceeding, the Rosebud Sioux Tribe shall be regarded as vested with an unrestricted fee simple title to the land, the United States shall not be a necessary party to the foreclosure or sale proceeding, and any conveyance of the land pursuant to the foreclosure or sale proceeding shall divest the United States of title to the land. Title to any land redeemed or acquired by the Rosebud Sioux Tribe at such foreclosures or sale proceeding shall be taken in the name of the United States in trust for the tribe. Title to any land purchased by an individual Indian member of the Rosebud Sioux Tribe at such foreclosure sale or proceeding, may, with the consent of the Secretary of the Interior, be taken in the name of the United States in trust for the individual Indian purchaser."

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–372), explaining the purposes of the bill.

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

PURPOSE

The purpose of S. 73, introduced by Senators Mundt and McGovern, is to amend the act of December 11, 1963 (77 Stat. 349), which authorized the sale or exchange or mortgaging of isolated tracts of tribal land on the Rosebud Sioux Indian Reservation, by adding a section 3 to the act. The new section provides that any lands mortgaged under the authority granted in section 2 of the 1963 act shall be subject to foreclosure and sale pursuant to the terms of such mortgage or deed of trust in accordance with the laws of the State of South Dakota. It further provides that any land redeemed or acquired at a foreclosure or sale by the Rosebud Sioux Tribe will be taken in the name of the United States in trust for the tribe, and any land purchased by an individual Rosebud Indian at such foreclosure sale may, with the consent of the Secretary of the Interior, be taken in trust for the individual Indian purchaser.

The Rosebud Sioux Tribe has for a number of years been actively engaged in a consolidation of its land base. Although the authority of the 1963 act has been an effective tool with respect to the sale or exchange of certain isolated tracts, the mortgage authority of section 2 has not proven adequate.

The Rosebud Sioux Tribe obtained a commitment for a substantial loan from one of the insurance companies to help with its land consolidation program. However, the title examiner would not approve the loan on the ground that there was no means by which the mortgage could be foreclosed on the lands offered to the insurance company as collateral for its loan. The 1963 act leaves open the questions of whether foreclosure would be in the State court or Federal court, whether the laws of the State would apply or some other law, and whether the United States would be an indispensable party to the foreclosure action. These questions are answered by the amendment made to the act by S. 73.

The enactment of this bill will enable the tribe to receive the benefits of favorable loan commitments in today's market without the questions of the acceptability of the mortgages or deeds of trust that had resulted from the act as it stood.

AMENDMENT

An amendment has been adopted making clear that land reacquired under this act by an Indian may be taken in trust only if the individual is a member of the Rosebud Tribe.

COST

No increase in Federal expenditures will result from the enactment of this legislation.

TRUST STATUS OF CERTAIN LANDS ON THE STANDING ROCK SIOUX INDIAN RESERVATION IN NORTH AND SOUTH DAKOTA

The Senate proceeded to consider the bill (S. 74) to place in trust status certain lands on the Standing Rock Sioux Indian Reservation in North Dakota and South Dakota, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 8, after the word "the" where it appears the second time, to strike out "title" and insert "beneficial interest"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall hereafter be held by the United States in trust for the benefit of the Standing Rock Sioux Indian Tribe all the right, title, and interest of the United States in and to the following described land on the Standing Rock Sioux Indian Reservation in North and South Dakota.

The southwest quarter southwest quarter southwest quarter southeast quarter of section 35, township 132 north of range 83 west of the fifth principal meridian, Sioux County, North Dakota, containing 2.5 acres more or less.

SEC. 2. This conveyance is subject to all valid existing rights-of-way of record.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the beneficial interest conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–374), explaining the purposes of the bill.

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

PURPOSE

The purpose of S. 74, introduced by Senators Mundt and McGovern, is to provide that all the right, title, and interest of the United States in and to certain federally owned land, which was acquired by the United States for school purposes, is hereafter declared to be held by the United States in trust for the Standing Rock Sioux Indian Tribe. It also provides that the conveyance shall be subject to all valid existing rights-of-way. The bill further provides that the Indian Claims Commission will determine the extent to which the value of the beneficial interest conveyed should or should not be set off against any claim against the U.S. Government determined by the Commission.

The committee also considered a companion bill, S. 776, introduced by Senators Burdick, Young of North Dakota, and McGovern. Since the legislation pertains to the same subject matter both Senators Burdick and Young have been added as cosponsors of S. 74.

NEED

The tract consists of approximately 2.5 acres of land acquired for school purposes in 1938 for a consideration of $2,100. At that time, the land had a value of $50 and the improvements were valued at $2,050. The present fair market value of the land is $87.50, and the entire property, including land and improvements, has a current appraised value of $700. The school that occupied the land was discontinued in February 1960, and the land is excess to the needs of the Department of the Interior.

The Standing Rock Sioux Tribe requested by Resolution 36–68 dated October 18, 1967, that the trust title in the 2.5 acre tract be transferred to it. The parcel lies within the area designated for consolidation and acquisition by the tribe and would enhance the utilization of the adjacent lands already owned by the tribe.

AMENDMENT

The committee has adopted a technical amendment recommended by the Department of the Interior in its report on S. 74.

COST

No additional Federal expenditures will result from the enactment of this bill.

CONVEYANCE OF DISTRICT PROPERTY TO THE WASHINGTON INTERNATIONAL SCHOOL, INC.

The bill (H.R. 12720) to provide for the conveyance of certain real property of the District of Columbia to the Washington International School, Inc., was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–375), explaining the purpose 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 the bill (H.R. 12720) is to provide that the Commissioner of the District of Columbia shall convey to the Washington International School, Inc., certain land and improvements owned by the District of Columbia and known as the Phillips School, which is located in Georgetown in Northwest Washington. The bill provides that the conveyance of the property shall be subject to certain conditions and that the International School pay to the District the sum of $500,000.

THE PHILLIPS SCHOOL PROPERTY

The Phillips School is an elementary school structure which has not been used for 15 years for instruction purposes and has been surplus to any use for public education purposes for some time. The District of Columbia Subcommittee of the Committee on Appropriations directed the District of Columbia government to secure an appraisal on the Phillips School and to dispose of it for its reasonable market value. An appraisal study at the direction of the District of Columbia government set the value of the Phillips School property at $475,000.

THE WASHINGTON INTERNATIONAL SCHOOL

The Washington International School is a private, nonprofit corporation and has been given tax-exempt status by the Internal Revenue Service. The school was established in January 1966. In May of that year the school was incorporated in the District of Columbia as a nonprofit educational institution. The school has been in operation for 3 years and the enrollment in October 1968 was 130 children. The school in testimony before the committee advised that it expects to increase its enrollment in elementary-level schoolwork to something in excess of 200 students.

Bilingual instruction is provided for children from more than 40 countries. The school is open to children desiring the type of curriculum offered and who are able to pay the tuition of approximately $825 for the full day sessions for the school year.

At the present time the school is staffed with 27 teachers from 10 countries and the school has been able to maintain a ratio of about one teacher for each seven children. Eighty percent of the families whose children attend the school live within the District of Columbia.

PROVISIONS OF THE BILL

Subsection (a) of the bill directs the Commissioner of the District of Columbia to convey the property described in the bill and known as the Phillips School, to the Washington International School, Inc., for the sum of $500,000.

Subsection (b) provides that the conveyance contain a condition requiring the school corporation to use the property for educational purposes for a period of 5 years from the date of the conveyance. If the corporation discontinues use of the property for educational purposes during the 5-year period, it is required to notify the Commissioner in writing of such fact and the Commissioner of the District of Columbia has the option to reacquire the property within 1 year from the date he receives notice from the corporation and the corporation shall be paid not less than $500,000 or the fair market value but not to exceed $600,000.

The effect of this subsection is to give the District of Columbia government the right to recapture the real property if it is not used for educational purposes or if the school has no further use for it or desires to dispose of the land and improvements within a 5-year period. If the District government does not exercise its right of recapture under the conditions stated, the school corporation may dispose of the property without any restrictions. At the end of the period of 5 years after conveyance of the real property to the school corporation, the corporation may use the property for other than educational purposes or dispose of it without any restrictions.

Subsection (c) preserves to the District of Columbia its right of eminent domain so that it may reacquire the real property, during the first 5 years after conveyance, even though it is being used for educational purposes by the school. However, the District government is required to pay the school $500,000 or the fair market value but not to exceed $600,000.

HEARINGS

Hearings were held before the Fiscal Affairs Subcommittee of the Committee on the District of Columbia on July 30, 1969.

Your committee received testimony from sponsors of the legislation, from the associate director and the counsel for the Washington International School, Inc., and from the Assistant Corporation Counsel representing the government of the District of Columbia. The Assistant Corporation Counsel indicated that the District of Columbia had no immediate, important uses for the building known as the Phillips School and that it would be sold with all fixtures intact, for example, drinking fountains, lights, and blackboards.

No opposition to the bill was expressed.

H.R. 12720 passed the House of Representatives on July 14, 1969.

COMDR. EDWARD WHITE RAWLINS, U.S. NAVY (RETIRED)

The resolution (S. Res. 96) to refer S. 881 to the Court of Claims was announced as next in order .

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

LONGER TERM LEASES OF INDIAN LANDS LOCATED OUTSIDE THE BOUNDARIES OF INDIAN RESERVATIONS IN NEW MEXICO

The bill (S. 1609) to amend the Act of August 9, 1955, to authorize longer term leases of Indian lands located outside the boundaries of Indian reservations in New Mexico, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the first section of the Act entitled "An Act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases", approved August 9, 1955 (25 U.S.C. 415), is amended by inserting immediately after "the pueblo of Zuni," the following: "Indian trust or restricted lands located outside the boundaries of Indian reservations in the State of New Mexico,".

AMENDMENT OF THE INDIAN LONG-TERM LEASING ACT

The Senate proceeded to consider the bill (S. 204) to amend the Indian Long-Term Leasing Act, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 18, after the word "Fort," to strike out "Apache Reservation, and the Navajo Reservation which" and insert "Apache Reservation, the Navajo Reservation, the Coeur d'Alene Reservation, the Colorado River Reservation, and the Salt River Reservation, and any other Indian trust or restricted land authorized by specific legislation, which"; so as to make the bill read:

S. 204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 9, 1955 (69 Stat. 539), as amended, is hereby amended to read as follows: "Any restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, residential, business, farming, or grazing purposes, including the development or utilization of natural resources in connection with operations under such leases, but no lease shall be executed under this Act for purposes that are subject to the laws governing mining leases of Indian lands. The term of a grazing lease or a farming lease that does not require the making of a substantial investment in the improvement of the land shall not exceed ten years. The term of a farming lease that requires the making of a substantial investment in the improvement of the land shall not exceed forty years. The term of any other lease shall not exceed sixty-five years, except such other leases of land on the Agua Caliente (Palm Springs) Reservation, the Dania Reservation, the Southern Ute Reservation, the Fort Mojave Reservation, the Pyramid Lake Reservation, the Pueblo of Pojoaque, the Pueblo of Tesuque, the Pueblo of Cochiti, the Pueblo of Zuni, the Hualapai Reservation, the Yavapai Reservation, the San Carlos Apache Reservation, the Gila River Reservation, the Havasupai Reservation, the Tulalip Reservation, the Swinomish Reservation, the Lummi Reservation, the Spokane Reservation, the Fort Apache Reservation, the Navajo Reservation, the Coeur d'Alene Reservation, the Colorado River Reservation, and the Salt River Reservation, and any other Indian trust or restricted land authorized by specific legislation, which may be for a term of not to exceed ninety-nine years. No lease shall contain an option to renew which, if exercised, would extend the term beyond the maximum term permitted by this Act. The Secretary of the Interior shall not approve any lease with a term that is longer than is necessary in his judgment to obtain maximum economic benefits for the Indian owners."

The amendment was agreed to.

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

INDIANS OF THE PUEBLO OF LAGUNA

The Senate proceeded to consider the bill (S. 210) to declare that certain federally owned lands are held by the United States in trust for the Indians of the Pueblo of Laguna, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 4, line 8, after the word "a" to strike out "point," and insert "point;", and on page 9, line 3, after the word "continued" to strike out "jurisdiction over" and insert "use and occupancy"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described federally owned lands and all improvements thereon, situated in Valencia and Sandoval Counties, New Mexico, which were acquired for school, sanatorium, clinic, agency, or other administrative purposes, are hereby declared to be held by the United States in trust for the Pueblo of Laguna:

Antonio Sedillo Grant administrative site situated in unsurveyed sections 2, 11, 12, and 14, township 8 north, range 3 west, New Mexico principal meridian, and more particularly described as beginning at center of west line of section 11, thence south along same section line approximately one-sixteenth mile to a point where a fence line ties on to west line of same section; thence southeasterly along said fence line approximately one mile through the southwest quarter and southeast quarter section 11, and to a point in the northeast quarter section 14 where said fence corners; thence in a northeasterly direction along same fence line through sections 14, 11, and 12 to a point where said fence ties on to a mesa rim; thence in a northeasterly direction along mesa rim to a point where same mesa rim turns in an easterly direction; thence north approximately fifty yards to a water gap on Rio San Jose in northwest quarter section 12; thence in a northwesterly direction through the northwest quarter section 12, northeast quarter section 11 and southeast quarter section 2 to a point where channel of Rio San Jose turns westerly; thence along said channel of Rio San Jose westerly, southwesterly and northwesterly approximately one mile to a point of intersection of said channel with the west line of section 2; thence south along west lines of sections 2 and 11, township 8 north, range 3 west, to point of beginning, containing 640 acres, more or less.

Bernabe M. Montano Grant administrative site described as the southwest quarter section 7 and northwest quarter section 18, township 12 north, range 1 west, New Mexico principal meridian, containing 320 acres, more or less.

Laguna Sanatorium site situated in sections 4 and 5, township 9 north, range 5 west, New Mexico principal meridian, described in quitclaim deed dated June 7, 1923, from the Pueblo of Laguna to the United States of America, as follows: From the southeast corner of the school tract, north 32 degrees 15 minutes east 6.47 chains to the southwest corner of the addition; thence south 57 degrees 45 minutes east 4.00 chains to the southeast corner; thence north 21 degrees 57 minutes east 7.00 chains; thence north 77 degrees 09 minutes east 6.05 chains; thence north 13 degrees 39 minutes east 3.87 chains; thence north 7 degrees 33 minutes east 9.47 chains to the northeast cornor; thence north 82 degrees 27 minutes west 1.97 chains to the northwest corner; thence south 32 degrees 15 minutes west 22.62 chains to the place of beginning, containing 9.90 acres, more or less.

Government excluded tract that was excepted and excluded from the United States Patent Numbered 89,316 dated November 15, 1909, to the Pueblo of Laguna covering the Pueblo of Laguna grant in townships 9 and 10 north, ranges 5 and 6 west, New Mexico principal meridian, described as beginning at a point 72 feet westwardly from the center of the main line of the Santa Fe Pacific Railroad and 75 feet northwardly from Robert G. Marmon's north fence; thence north 32 degrees 15 minutes east on a line parallel to the railroad, 21 chains 47 links to the northeast corner, which is a mound of stone; thence north 57 degrees 45 minutes west, 15 chains to the northwest corner while is a pile of stone; thence south 32 degrees 15 minutes west, 21 chains 47 links to the southwest corner, which is a point; thence south 57 degrees 45 minutes east, 15 chains to the southeast corner and place of beginning, containing 32.20 acres, more or less.

Encinal School site (acquired by condemnation in case numbered 1604, equity, in the United States District Court in the District of New Mexico), situated in section 3, township 10 north, range 6 west, New Mexico principal meridian, and more particularly described as follows: The place of beginning is a point located north 44 degrees 40 minutes east a distance of 1,300.0 feet and thence north 56 degrees 15 minutes east a distance of 232.0 feet from the southwest section corner of section 3, township 10 north, range 6 west. From said place of beginning line runs north a distance of 335.1 feet; thence east 260.0 feet; thence south 335.1 feet; thence west 260.0 feet to point of beginning, and contains 2 acres, more or less.

Laguna Day School site (acquired through condemnation proceedings in United States District Court in the District of New Mexico, case numbered 2895; final decree filed May 19, 1937), consisting of two parcels described as follows:

Parcel numbered 1 situated in section 5, township 9 north, range 5 west, New Mexico principal meridian, lying south of and adjacent to the United States Government excluded tract situated in said section, and more particularly described as beginning at the northeast corner of parcel numbered 1, which corner is located on the south boundary of the said United States Government excluded tract, and bears north 57 degrees 45 minutes west 212.7 feet from the southeast corner of the said United States Government excluded tract, and running thence north 57 degrees 45 minutes west 210 feet, more or less, along the south boundary of the said United States Government excluded tract to the northwest corner of said certain tract; thence south 32 degrees 16 minutes west 173.3 feet, more or less, to the southwest corner, thence south 54 degrees 06 minutes east 197.7 feet to the southeast corner; thence north 36 degrees 03 minutes east 186.9 feet, more or less, to the point of beginning, containing 0.83 acres, more or less.

Parcel numbered 2 situated in section 5, township 9 north, range 5 west, New Mexico principal meridian, lying south of and adjacent to the United States Government excluded tract situated in said section, and more particularly described as beginning at the northwest corner of parcel numbered 2, which corner is located at the intersection of the south boundary of the United States Government excluded tract with the south right-of-way line of United States Highway Numbered 66 and bears north 57 degrees 45 minutes west 503 feet, more or less, from the southeast corner of the said United States Government excluded tract, and running thence south 57 degrees 45 minutes east 81 feet, more or less, to the northeast corner of said tract; thence south 32 degrees 16 minutes west 173.2 feet to the southeast corner of said tract; thence north 54 degrees 06 minutes west 227 feet, more or less, to the southwest corner, which corner is a point on the south right-of-way line of United States Highway Numbered 66; thence following a 3-degree 5.2-minute curved line curving to the right and following the said south right-of-way line of Highway Numbered 66 a distance of 217 feet, more or less, to the point of beginning, containing 0.61 acres, more or less.

Paguate School site (acquired by condemnation in case numbered 125, in the United States District Court in the District of New Mexico; judgment rendered July 5, 1912), situated in section 33, township 11 north, range 5 west, New Mexico principal meridian, and more particularly described as beginning at the 11th mile corner on the north boundary of the Paguate purchase; thence south 34 degrees 20 minutes west, a distance of 36.25 chains; thence south 3 degrees 50 minutes east, a distance of 32.00 chains; thence south 17 degrees 41 minutes east, a distance of 95.18 chains to the southwest corner of the lot; thence south 77 degrees 15 minutes east, a distance of 3.395 chains; thence north 10 degrees 43 minutes east, a distance of 3.82 chains; thence north 89 degrees 38 minutes west, a distance of 2.175 chains; thence south 30 degrees 40 minutes west, a distance of 0.67 chains; thence north 82 degrees 33 minutes west, a distance of 1.06 chains; thence south 9 degrees 54 minutes west, a distance of 2.613 chains to the southwest corner, containing 1.11 acres, more or less.

Mesita School site (acquired by condemnation in case numbered 86; judgment rendered June 3, 1912), situated in section 18, township 9 north, range 4 west, New Mexico principal meridian, and more particularly described as beginning at the southwest corner of the school site, which is north 1 degree east a distance of 3 miles 24.6 chains from the standard corner of township 9 north, ranges 4 and 5 west, New Mexico principal meridian; thence south 84 degrees 46 minutes east, a distance of 4.00 chains; thence north 5 degrees 14 minutes east 2.50 chains; thence north 84 degrees 46 minutes west 4.00 chains; thence south 5 degrees 14 minutes west 2.50 chains to point of beginning, containing 1 acre, more or less.

Paraje School site described as south half northwest quarter northwest quarter southeast quarter section 33, township 10 north, range 6 west, New Mexico principal meridian, containing 5 acres, more or less.

Seama Government site described as northwest quarter southwest quarter southwest quarter northwest quarter section 6, township 9 north, range 6 west, New Mexico principal meridian, containing 2.50 acres, more or less.

Seama School site (acquired by condemnation in case numbered 1604, equity), situated in section 36, township 10 north, range 7 west, New Mexico principal meridian, and more particularly described as follows: The place of beginning is a point on the one-sixteenth subdivision line 1,251.3 feet west from the east one-sixteenth corner of the southeast quarter section 36, township 10 north, range 7 west, New Mexico principal meridian. From said place of beginning, line runs west on said one-sixteenth subdivision line for a distance of 208.7 feet; thence north 417.4 feet; thence east 208.7 feet; thence south 417.4 feet to place of beginning, containing 2 acres, more or less.

SEC. 2. This conveyance is subject to all valid existing rights-of-way of record; and to the right of the United States Public Health Service to continue use and occupancy of that property, presently in use by it, for so long as is necessary.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of any lands and improvements placed in a trust status under the authority of this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendments were agreed to.

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

CONFEDERATED SALISH AND KOOTENAI TRIBES OF FLATHEAD RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 1766) to provide for the disposition of a judgment recovered by the confederated Salish and Kootenai Tribes of Flathead Reservation, Mont., in paragraph 11, docket numbered 50233,

United States Court of Claims, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 1, line 6, after the word "of" to insert "the final decision in"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds appropriated to the credit of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana, in satisfaction of a judgment awarded in paragraph 11 of the final decision in docket numbered 50233, United States Court of Claims, including interest thereon, after payment of attorneys' fees and other litigation expenses, may be advanced, expended, invested or reinvested for any purposes that are authorized by the tribal governing body and approved by the Secretary of the Interior.

SEC. 2. Any part of such funds that may be distributed to members of the tribes shall not be subject to Federal or State income tax.

The amendment was agreed to.

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

INDIANS OF CALIFORNIA

The bill (H.R. 671) to compensate the Indians of California for the value of land erroneously used as an offset in a judgment against the United States obtained by said Indians was considered, ordered to a third reading, read the third time, and passed.

CHEYENNE RIVER SIOUX TRIBE OF THE CHEYENNE RIVER INDIAN RESERVATION

The Senate proceeded to consider the bill (S. 921) to declare that certain federally owned land is held by the United States in trust for the Cheyenne River Sioux Tribe of the Cheyenne River Indian Reservation which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 2, after line 3, insert a new section, as follows:

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claims against the United States determined by the Commission.

So as to make the bill read:

S. 921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in land heretofore used in connection with the Cheyenne River Boarding School described as the east half section 19 and the west half section 20, township 13 north, range 31 east, Black Hills Meridian, Dewey County, South Dakota, comprising approximately 640 acres, together with all improvements thereon except fencing owned by Indian permittee, are hereby declared to be held by the United States in trust for the Cheyenne River Sioux Tribe of the Cheyenne River Indian Reservation. The land conveyed by this Act is subject to all valid existing rights-of-way.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claims against the United States determined by the Commission.

The amendment was agreed to.

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

THREE AFFILIATED TRIBES OF THE FORT BERTHOLD RESERVATION, N. DAK.

The Senate proceeded to consider the bill (S. 775) to declare that the United States shall hold certain land in trust for the Three Affiliated Tribes of the Fort Berthold Reservation, N. Dak., which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, at the beginning of line 10, strike out "subject to a reservation to the United States of a right to remove the radio tower and gasoline pump located thereon and subject to the reservation of an easement for road purposes over the west 75 feet of the parcel: southwest quar-", and insert "subject to the right of the United States, its successors or assigns to use the west 75 feet of the parcel for a road right-of-way so long as it is needed, as determined by the Secretary of the Interior, for such purposes: southwest quar-"; and after line 10, insert a new section, as follows:

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claims against the United States determined by the Commission.

So as to make the bill read:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in and to the surface of the following described land (together with all buildings and other improvements thereon), such land and improvements having been declared excess to the needs of the Bureau of Indian Affairs, are hereby declared to be held by the United States in trust for the Three Affiliated Tribes of the Fort Berthold Reservation, subject to the right of the United States, its successors or assigns to use the west 75 feet of the parcel for a road right-of-way so long as it is needed, as determined by the Secretary of the Interior, for such purposes: southwest quarter southwest quarter northwest quarter of section 21, township 150 north, range 90 west, to the fifth principal meridian, North Dakota, comprising 10 acres.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claims against the United States determined by the Commission.

The amendments were agreed to.

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

CONSTRUCTION AND IMPROVEMENT OF A CERTAIN ROAD ON THE NAVAJO INDIAN RESERVATION

The bill (S. 404) to provide for the construction and improvement of a certain road on the Navajo Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 404

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and a better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes", approved April 19, 1950 (64 Stat. 44), as amended, is amended (1) by deleting "$108,570,000" and inserting in lieu thereof "$113,570,000"; and (2) by amending clause (7) thereof to read as follows:

"(7) Roads and trails, $45,000,000; of which not less than $5,000,000 shall be (A) available for contract authority for such construction and improvement of the road on the Navajo Indian Reservation, which runs from its junction with United States 666 about six miles from south of Shiprock, New Mexico, west through Red Rock to Lukachukai, Arizona, as may be necessary to bring any portion of such road located in any State up to at least the secondary road standard in effect in that State, and (B) in addition to any amounts expended on such road under the $40,000,000 authorization provided under this clause prior to amendment."

SEC. 2. The contract authority and appropriations authorized by the amendment made by the first section of this Act shall be in addition to sums apportioned to Indian reservations or to the States of New Mexico and Arizona under the Federal Highway Act, as amended and supplemented.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, on the number of individuals in each general schedule grade employed by the Administration under the Classification Act of 1949, as amended, on June 30, 1968, and on June 30, 1969; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 855. A bill to provide for the establishment of the Buffalo National River in the State of Arkansas, and for other purposes (Rept. No. 91-385).

By Mr. TYDINGS, from the Committee on the District of Columbia, without amendment:

S. 2502. A bill to authorize suits in the courts of the District of Columbia for collection of taxes owed to States, territories, or possessions, or political subdivisions thereof, when the reciprocal right is ac-

corded to the District of Columbia, and for other purposes (Rept. No. 91–386); and

H.R. 12677. An act to authorize the Commissioner of the District of Columbia to lease to the Jewish Historical Society of Greater Washington the former synagogue of the Adas Israel Congregation and real property of the District of Columbia for the purpose of establishing a Jewish Historical Museum (Rept. No. 91–388).

By Mr. TYDINGS (for Mr. BIBLE), from the Committee on the District of Columbia, with an amendment:

S. 2056. A bill to amend title 11 of the District of Columbia Code to permit unmarried judges of the courts of the District of Columbia who have no dependent children to terminate their payments for survivors annuity and to receive a refund of amounts paid for such annuity (Rept. No. 91–387).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session, the following favorable report of a nomination was submitted:

By Mr. LONG, from the Committee on Finance:

Rex M. Mattingly, of New Mexico, to be a member of the Renegotiation Board.

BILLS INTRODUCED

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

By Mr. HOLLINGS:

S. 2841. A bill to amend the Marine Resources and Engineering Development Act of 1966 to establish a comprehensive and long-range national program of research, development, technical services, exploration and utilization with respect to our marine and atmospheric environment; to the Committee on Commerce.

By Mr. PROUTY:

S. 2842. A bill to amend title 5, United States Code, to assist Government employees in preparing for retirement; to the Committee on Post Office and Civil Service.

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

By Mr. STENNIS (for himself and Mrs. SMITH) (by request):

S. 2843. A bill to amend the Military Selective Service Act of 1967 in order to provide for a more equitable system of selecting persons for induction into the Armed Forces under such act; to the Committee on Armed Services.

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

By Mr. BAYH:

S. 2844. A bill for the relief of Marguerita Ponce; to the Committee on the Judiciary.

By Mr. BAKER:

S. 2845. A bill for the relief of George W. Hardin; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. YARBOROUGH):

S. 2846. A bill entitled "The Developmental Disabilities Services and Facilities Construction Act of 1969"; to the Committee on Labor and Public Welfare.

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

By Mr. NELSON:

S. 2847. A bill to amend the Foreign Assistance Act, as amended, to authorize the Secretary of State to participate in the development of a large prototype desalting plant in Israel, and for other purposes; to the Committee on Foreign Relations.

S. 2848. A bill to amend the Mineral Leasing Act, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. HARRIS:

S. 2849. A bill to amend the act of August 25, 1959 with respect to the final disposition of the affairs of the Choctaw Tribe; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN (for himself, Mr. CURTIS, Mr. ERVIN, Mr. FANNIN, Mrs. SMITH, and Mr. THURMOND):

S. 2850. A bill to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas; to the Committee on Labor and Public Welfare.

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

By Mr. MATHIAS:

S. 2851. A bill to authorize refunds of duties paid on certain forms of nickel imported between July 1, and December 31, 1967; to the Committee on Finance.

By Mr. INOUYE:

S. 2852. A bill to amend the Shipping Act, 1916, as amended, to require common carriers by water in the domestic offshore trade to obtain a certificate of convenience and necessity, and to require contract carriers by water in such trade to obtain a permit; to the Committee on Commerce.

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

S. 2842—INTRODUCTION OF A BILL ON PRERETIREMENT PLANNING FOR FEDERAL CIVILIAN EMPLOYEES

Mr. PROUTY. Mr. President, in March of 1966 I proposed an amendment to the Social Security Act which was adopted by this body, slightly modified by the other body, and finally became law. Some refer to that law, which provided a monthly benefit to Americans age 72 or over who were not already covered under social security, as the Prouty amendment. Well over a million individuals have benefited from it, and there is not a week that passes but that letters of appreciation come to my office concerning that amendment which provides so little for those who had little to begin with.

During this session of Congress I intend to introduce legislation which will increase the monthly cash income for many of those now getting benefits under the so-called Prouty amendment. But today I want to consider one piece of evidence I used before this body on March 15, 1966, in my successful effort to convince my colleagues that there was a need for special social security benefits for older Americans not already receiving such benefits. Let me read to you a memorandum that I read then:

MEMORANDUM ON FEDERAL RETIREMENT ANNUITIES

Of the more than 200,000 surviving widows and children of civil service retirees, 38 per cent receive less than $50 a month; 79 per cent receive less than $100 a month; 93 per cent receive less than $150 a month. Ninety-nine per cent of all surviving widows and children receive less than the so-called poverty level of $3,000 a year. Of the 170,000—some widows on the civil service retirement rolls as of June 30, 1965, the average age was 65.8, the average annuity a meager $80 per month.

The situation of surviving widows and children is not necessarily the most desperate. Look at the unfortunate figures relating to employee annuitants: 49,700 receive less than $50 a month; 126,100 receive less than $100; 214,300 receive less than $150 per month; 307,600 receive less than $200. Viewing the so-called poverty level as $250 per month, 377,500 civil service employee annuitants out of a grand total of 508,500 receive less than poverty-scale annuities.

Alarmingly enough, nearly 74 per cent of all civil service employee annuitants receive less than the magical poverty level.

I was alarmed by those statistics then, and I continue to be alarmed by similar statistics now.

As the country's largest single employer, the Federal Government should be providing retirement protection for its employees second to none. Instead it has a retirement system basically the same as Congress intended in 1921 when it enacted the civil service retirement system. Certainly it has been modified by subsequent Congresses, but basically it continues to be a staff retirement designed more for worker retention than for retirement protection.

For example, when survivor benefits under the civil service retirement system are compared to survivor benefits under social security the disparity is disgraceful. Did you know, Mr. President, that the surviving widow and one child of a deceased civil service employee earning $500 a month and with 5 years' Federal service would receive a $78 a month benefit while had her husband been under social security instead she would get $266 a month.

Did you realize, Mr. President, that for that widow of a civil service employee to get that $266 a month her deceased husband would have had to been employed for 40 years in the Federal Government. I could repeat example after example showing the complexity and inadequacy of the civil service retirement system, but my purpose today is not to overhaul or revamp that system.

Several weeks ago I was pleased to cosponsor S. 2554 with the distinguished junior Senator from Minnesota (Mr. MONDALE). Both of us had independently arrived at the conclusion that legislation in this area was needed. However, our conceptualization of the specific methods to be used for achieving effective Government-wide preretirement planning differ. Therefore, I am today introducing a bill that I had drafted during the last Congress.

My bill differs from S. 2554 in one important respect. S. 2554 provides in part that—

> The head of each agency shall formulate and carry out a program to provide comprehensive preretirement assistance to employees of such agency who are eligible, or approaching eligibility, for retirement.

The bill I am introducing today provides that the Civil Service Commission shall provide preretirement assistance.

Now I feel that this is an important difference for two major reasons.

First, I can see the possibility for many problems in having each individual agency responsible for preretirement assistance. I suspect that there would be a great deal of employee resentment from older employees who would suspect that their employing agency was merely using preretirement planning as a vehicle for encouraging them to retire. On the other hand, my bill which gives the authority for preretirement planning to the Civil Service Commission would avoid this situation whereby employing agencies would be put in a difficult position of trying to provide preretirement assistance without unduly upsetting their employees.

Second, I am convinced that in legislation of this sort it is always a good general principle to provide the agency with primary responsibility with as much latitude and flexibility as possible.

I sincerely hope that prompt action is taken on this matter during this Congress.

Mr. President, in August of 1961 the U.S. Civil Service Commission published a little pamphlet entitled, "Retirement Planning: A Growing Employee Relations Service." The conclusion of their little pamphlet reads as follows:

A variety of approaches are used in retirement planning programs in industry and in government. This is to be expected considering the relative recency of employer participation in this field, and the fact that most organizations are still feeling their way, testng and experimenting with various approaches, adjusting program activities to local needs and resources. These differences are healthy, because without effort there will be no results. There is a need for further experimentation and evaluation because of the scarcity of objective information on the relative effectiveness of various programs and the dearth of research evidence on the long-range significance of retirement planning activities.

The signs are many, however, that retirement planning is a matter of increasing general interest; that it has begun to be recognized as a significant aspect of employee relations; and that few modern personnel offices can much longer ignore considering how their organizations can best meet the needs of employees approaching retirement. It can reasonably be expected from this that we will have more, not less, retirement planning activities in the future, with program arrangements more selective and effective.

Mr. President, it is now nearly 10 years later and the retirement planning activities of the Federal Government are nearly as dormant and stagnant as they were when the Civil Service Commission pamphlet was written. Some agencies have some progress sometimes, but nowhere is there an overall program to assist any of the 2½ million civilian employees who will all some day be faced with retirement.

Mr. President, I believe the Federal Government has done a very poor job of being an employer concerned about the individual's successful retirement. I am hopeful that the bill I have introduced today will provide the catalyst for the Federal Government as an employer to move off dead center into the role as a pacemaker for effective preretirement planning.

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

The bill (S. 2842) to amend title 5, United States Code, to assist Government employees in preparing for retirement, introduced by Mr. PROUTY, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

S. 2843—INTRODUCTION OF THE SELECTIVE SERVICE AMENDMENTS ACT OF 1969

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Maine (Mrs. SMITH), I introduce, for appropriation reference, a bill to amend the Military Selective Service Act of 1967 in order to provide for a more equitable system of selecting persons for induction into the Armed Forces under such act.

I ask unanamious consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

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

The bill (S. 2843) to amend the Military Selective Service Act of 1967 in order to provide for a more equitable system of selecting persons for induction into the Armed Forces under such act, introduced by Mr. STENNIS, for himself and Mrs. SMITH, by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. STENNIS, is as follows:

SELECTIVE SERVICE SYSTEM,
Washington, D.C., May 13, 1969.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft of legislation "To amend the Military Selective Service Act of 1967 in order to provide for a more equitable system of selecting persons for induction into the armed forces under such Act". This legislation would carry out the President's recommendations in his message on selective service which was transmitted to the Congress today.

In that message the President indicated that he would change from an oldest-first to a youngest-first order of call so that young men would become less vulnerable rather than more vulnerable to the draft as they grew older and that he would select those who are actually drafted through a random system. The draft legislation which I am submitting today would amend existing law so as to permit the President's objectives to be accomplished.

I urge the Congress to act promptly and favorably on this legislation.

PURPOSE OF THE LEGISLATION

Selective service law authorizes the President to provide for the selection or induction of persons by age group or groups. Under the authority provided in section 5(a) of the Military Selective Service Act of 1967 (50 App. U.S.C. 455(a)), the President presumably may designate any age group or combination of age groups as the first to be called, second to be called, and so forth.

In expectation that the President would use this authority to provide for calling "younger men first", the Congress, in 1967, when it enacted a college student deferment program, provided that students would revert to any prime age group for possible induction when no longer deferred.

In 1967, the method of selecting individuals within such a prime selection group was considered. The Congress, in amending the selective service law, adopted a provision prohibiting any change in the method of selection then in use (oldest first in order of date of birth).

Sec. 2 of the bill, by repealing paragraph (2) of Sec. 5(a) of the Military Selective Service Act of 1967, would restore to the President the broad authority he had before 1967 to determine an appropriate method of selection.

Sec. 3(a) of the bill would provide that all registrants deferred under section 6 of the law would, as students under present law, be subject to selection in a young prime age group when their deferment ended. This would treat all deferments and exemptions under the law equally.

Sec. 3(b) of the bill would place in such prime selection group when it is designated by the President, all registrants then neither deferred or exempt, under 26 but older than the age group or groups which comprise such prime selection group. This provision would prevent the relief from possible selection of large numbers who are now liable for selection so long as selections are made from the 19–26 year old group.

A simple random selection procedure has been developed to implement the proposed legislation. Under the procedure, selection would be made each year from the current 19 to 20 year-olds and older men whose college or other deferments or exemptions have expired. Prime exposure to the draft would therefore be limited to a 12-month period. Those not selected by the end of the year would be placed in a progressively lower order of priority for induction and would normally not be called except in emergency.

The Bureau of the Budget advises that enactment of this legislation would be in accord with the program of the President.

Sincerely yours,

LEWIS B. HERSHEY,
Lt. General, USA, Director of Selective Service.

SECTIONAL ANALYSIS OF BILL

SECTION 2

Section 5(a)(1) of the Military Selective Service Act of 1967 authorizes the President to establish rules and regulations for impartial selection of persons for induction, including selection by age group or groups. Section 5(a)(2), added in 1967, provides that if the President establishes selection by age group—i.e., designates a prime age group or groups as the first to be called—selection of individuals within such prime age group or groups would have to be made by the method in effect on date of enactment (June 30, 1967), i.e., oldest first in order of date of birth.

Section 2 of the bill repeals section 5(a)(2) of the Military Selective Service Act of 1967, thus restoring to the President the broad authority he had before June 30, 1967 to determine an impartial method of selection, including selection within any designated prime age group by lottery.

SECTION 3

Section 6(h)(1) of the Military Selective Service Act of 1967 provides that when the President designates a prime age group, any person granted a student deferment shall upon termination of the deferment be liable

for induction within the prime age group irrespective of his actual age.

Section 3 of the bill remedies two technical deficiencies in the definition of prime age group. Section 3(a) makes clear that in addition to students all other deferred or exempt persons shall be liable for induction within the prime age group when their deferments or exemptions expire.

Section 3(b) of the bill provides that all persons, aged 19 to 26, who are not deferred or exempt at the time of initial implementation of the prime age group shall be liable for induction within the prime age group. This provision prevents large numbers of persons from escaping exposure to selection in the initial or "transitional" period following designation of the prime age group.

SECTION 4

Section 16(a) of the Military Selective Service Act of 1967 provides for the construction of age references in the law, as follows:

"The term 'between the ages of eighteen and twenty-six' shall refer to men who have attained the eighteenth anniversary of the day of their birth and who have not attained the twenty-sixth anniversary of the day of their birth; and other terms designating different age groups shall be construed in a similar manner".

Section 4 of the bill clearly spells out the authority to construe references to age group or groups in the law as referring to registrants born between designated dates.

S. 2847—INTRODUCTION OF A BILL AMENDING THE FOREIGN ASSISTANCE ACT, AS AMENDED

Mr. NELSON. Mr. President, today I am introducing a bill to amend the Foreign Assistance Act, which provides U.S. assistance for the cooperative construction of a dual-purpose desalting and powerplant in Israel. This same measure was introduced by Congressman BENJAMIN ROSENTHAL and Congressman PETER FRELINGHUYSEN in the House of Representatives on July 24, 1969.

The scarcity of water resources is an alarmingly real problem in Israel today. The last of Israel's meager natural water resources will have been fully utilized by the 1970's. Over 95 percent of the available water has been already tapped. The remaining natural waters in the south will probably be completely exploited in the next few years.

Desalination holds the greatest promise as a long-range method of coping with water shortage. The advancement in desalting techniques offers dramatic new opportunities. More specifically, desalination permits the location of plants in the areas of greatest need. It also affords the production of electricity, another critical requirement for these arid regions. Finally, the desalination process may be used to purify polluted and brackish water as well as sea water and hence can play a major role in conservation.

Under the proposed amendment, the United States would contribute a maximum of $40 million over a 5-year period and would have the permanent benefit of all data and advances in the technology of desalinization in Israel. Israel would contribute an additional $100 million.

With American assistance, the cost would be about 35 cents per 1,000 gallons and the completed plant would produce almost 40 million gallons per day or 10 times the currently largest yield from existing desalination plants. In addition, the plant will generate 450 megawatts of electricity.

For many years, there has been broad bipartisan support for this project. In 1961, President Kennedy remarked:

No water resources program is of greater long-range importance—for relief not only for our shortages, but for arid nations the world over—than our efforts to find an effective and economical way to convert water from the world's greatest, cheapest natural resources—our oceans—into water fit for consumption in the home and by industry. Such a breakthrough would end bitter struggles between neighbors, states, and nations—and bring new hope for millions who live out their lives in dire shortage of usable water and all its physical and economical blessings, though living on the edge of a great body of water throughout that parched lifetime.

Another major consideration of the project came from former President Eisenhower and the former Chairman of the Atomic Energy Commission, Lewis L. Strauss. They recommended a regional plan to attack simultaneously the water and the refugee problems. Their proposal envisioned three plants with a combined capacity of about 1 billion gallons to be constructed on the Mediterranean and the Gulf of Aqaba. This proposal, while commendable for its recognition of the water needs of the area, is not feasible because of the political climate and technological obstacles to the undertaking. Desalting complexes of the size envisioned would require the prior testing of equipment and techniques. This could only be accomplished through the development of a prototype of more limited capacities. The amendment being offered provides for that prototype.

In August 1967, Senator HOWARD H. BAKER, JR., introduced a resolution embodying the principles of the Eisenhower-Strauss plan. Thirty-two Republicans and 20 Democratic Senators cosponsored the proposal. Former Secretary of Interior Udall supported the measure and it was adopted by the Senate. No action was taken on the resolution in the House. Through the efforts of Congressman FRELINGHUYSEN and others of the Republican Coordinating Committee, it appeared as a recommendation of the 1968 Republican platform.

In 1968, the Johnson administration supported a specific proposal for U.S. participation in the construction of a dual-purpose electric power and desalting plant in Israel. This measure set a limit of $40 million as the U.S. share in costs—the same as the proposed amendment.

The volatile hostilities in the Middle East are perpetuated by economic depravity and frustrated by an almost interminable lack of understanding. Here we have the opportunity to challenge these conditions by focusing our energies in the direction of economic improvement—a significant indication of peaceful change. By assisting Israel in the construction of a prototype desalting plant we can develop a process which will insure the survival and growth of vast regions and whole countries which today face aridity and economic desolation from lack of water. This project represents, therefore, a real contribution to peace in the Middle East.

I ask unanimous consent that this amendment to the Foreign Assistance Act be printed in the RECORD at this time.

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

The bill (S. 2847) to amend the Foreign Assistance Act, as amended, to authorize the Secretary of State to participate in the development of a large prototype desalting plant in Israel, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S. 2847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purpose of the Foreign Assistance Act, as amended, and for the purpose of improving existing, and developing and advancing new, technology and experience in the design, construction, and operation of large-scale desalting plants of advance concepts which will contribute materially to low-cost desalination in all countries, including the United States, the Secretary of State is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such participation shall include financial, technical, and such other assistance as the Secretary deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.

SEC. 2. Any agreement entered into under first section of the Act shall include such terms and conditions as the Secretary deems appropriate to insure, among other things, that all information, products, uses, processes, patents, and other developments obtained or utilized in the development of this prototype plant will be available without further cost to the United States for the use and benefit of the United States throughout the world, and to insure that the United States, its officers, and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving the science and technology in the field of desalination.

SEC. 3. The Secretary of State shall be responsible for the conduct of the technical aspects of the project.

SEC. 4. In carrying out the provisions of this Act, the Secretary may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes.

SEC. 5. Nothing in this Act shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.

SEC. 6. In carrying out the provisions of this Act, the Secretary may utilize by agreement, with or without reimbursement, the personnel, services, and facilities of any other Federal agency.

SEC. 7. The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under the Act shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the

demonstration period, or $40,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this section, such sums as may be necessary to carry out the provisions of this Act, including administrative costs thereof. Such sums shall remain available until expended.

S. 2848—INTRODUCTION OF THE MINERAL LEASING ACT REVISION OF 1969

Mr. NELSON. Mr. President, I am introducing legislation today to replace the mining law of 1872 with a modern mineral leasing system based on multiple use of public lands.

Perhaps the most convincing testimony in favor of a new mining law is that of former Secretary of the Interior Udall who said:

> After eight years in this office, I have come to the conclusion that the most important piece of unfinished business on the nation's natural resources agenda is the complete replacement of the Mining Law of 1872.

When the mining law was enacted nearly a century ago, the underlying philosophy was to encourage unlimited exploration and development of new frontiers in the belief that the country as a whole would benefit directly and that the Federal Treasury would benefit indirectly.

This philosophy has no place in our modern world where all our resources are finite and where the competitive demands for them are increasingly heavy. The 97-year-old law is a major obstacle to wise and effective land management in a world where the best kind of multiple-use management is imperative.

Under the provisions of the old law, an individual must merely stake a claim on public land to assume almost complete property rights. While he might be required to record his claim in a county office, he need not inform the Federal Government. To maintain control of his claim, he has only to make $100 worth of improvements annually.

If the requirements of the law are simple, the resulting problems are numerous and complex.

The law has been what Secretary Udall terms "a veritable jungle of legal uncertainties." These legal complexities retard the development of the mining industry by inhibiting modern discovery techniques and discouraging accumulation of low-grade reserves.

The mining law permits no comparison of alternative land values; it gives blind priority to mineral resources and makes any consideration of wildlife, recreation, esthetic, or urban land values impossible.

The miner has all of the rights and none of the responsibilities. He may establish property rights on any public land. He need not mine the land. If he does, he need not use good mining practices, nor must he reclaim any damaged surfaces.

The law is easily subverted. There are numerous instances of individuals who, under the guise of marking a claim, appropriate public land for logging, homesites, subdivisions, and summer resorts.

In 1920 Congress passed the Mineral Leasing Act, which excepted certain minerals from the 1872 law and made them available only by leasing from the Government. Title to minerals not included in such a lease continues to belong to the Federal Government, and so does control of the surface and its resources.

This legislation would extend this principle to all minerals on the public domain.

No private landowner would tolerate unregulated intrusion to search for and remove mineral resources. The public can no longer allow this blatant giveaway of national resources which should be regulated under laws that take into account modern resource management techniques.

This in no way implies that mineral development is unimportant. But it is not preeminent—it is one of a variety of valid uses for public land.

Congressmen SAYLOR and DINGELL have introduced this same measure in the House. Only through such a bipartisan effort can we repeal this law which results in irreparable damages to our Nation with no justifying social or economic benefits.

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

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

The bill (S. 2848) to amend the Mineral Leasing Act, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 2848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this statute may be cited as "The Mineral Leasing Act Revision of 1969."

SEC. 2. As used in this Act the following terms have the following meanings:

(a) The term "mining laws" means the mining law of May 1872, as amended and supplemented (30 U.S.C. 22–54), and section 1 of the Act of August 4, 1892 (30 U.S.C. 161).

(b) The term "Mineral Leasing Act" means the Mineral Leasing Act of February 25, 1920, an Act to promote mining on the public domain, as heretofore amended and supplemented and as further amended by this Act.

(c) The term "hard rock minerals" means all minerals except sulfur which immediately prior to the effective date of this Act were subject to location under the mining law and all varieties of sand, stone, gravel, pumice, pumicite, clay, and cinders whether or not they were subject to location under the mining law.

(d) The term "Secretary" means the Secretary of the Interior.

(e) The term "Department" means the Department of the Interior.

SEC. 3. (a) Except as otherwise provided in this section, the mining law is hereby repealed and all lands and interests in lands belonging to the United States are hereby closed to entry and location under the mining law as of the effective date of this Act. No new rights under the mining law may be acquired after the effective date of this Act.

(b) Any claim under the mining law existing on the effective date of this Act shall remain subject to the provisions of the mining law if it is recorded with the Department not more than one year after the issuance by the Secretary of regulations prescribing the manner in which mining claims will be recorded. Any mining claim not so recorded shall be null and void. However, recordation will not render valid any mining claim which is invalid on the effective date of this Act or which becomes invalid thereafter.

(c) Any mining claim on which application for patent has not been filed within three years after recordation shall be null and void.

(d) The Secretary may upon application made within one year after recordation, under general regulations, authorize the issuance of a production lease or leases under section 43 of the Mineral Leasing Act in exchange for (1) any mining claim or claims, validly existing on January 1, 1969, or (2) any mining claim or claims valid, except for lack of discovery, on January 1, 1969, if a showing is made that a workable deposit of hard rock minerals, as required by section 43 of the Mineral Leasing Act, was found within the limits of each said claim prior to and was in existence on January 1, 1969. Each such production lease shall cover approximately the same land as the mining claim or claims for which it is exchanged and shall conform as nearly as practicable to the public land surveys, but in no event shall a lease exceed five thousand one hundred and twenty acres, and shall be subject to the terms and conditions specified in subsection 43(d) of the Mineral Leasing Act.

SEC. 4. (a) The first sentence of section 1 of the Mineral Leasing Act (30 U.S.C. 181) is amended to read as follows: "Deposits of all minerals (including all varieties of sand, stone, gravel, pumice, pumicite, clay, and cinders) and the lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the Act known as the Appalachian Forest Act, approved March 1, 1911 (36 Stat. 961), and those in national parks and monuments (other than as to minerals covered by the mining law in those parks and monuments to which the mining law had been extended prior to the effective date of this Act), those acquired under other Acts subsequent to February 25, 1920, and lands within the naval petroleum and oil shale reserves, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this Act to citizens of the United States, or to associations of such citizens, or to any corporation organized under the laws of the United States, or of any State or territory thereof, or, in the case of coal, oil, oil shale, or gas, to municipalities."

(b) A new paragraph is hereby added to the end of section 1 of the Mineral Leasing Act (30 U.S.C. 181) as follows:

"As used in this Act, the term 'hard rock minerals' means all minerals except sulfur which immediately prior to the effective date of this paragraph were subject to location under the mining law (30 U.S.C. 22–54) and all varieties of sand, stone, gravel pumice, pumicite, clay, and cinders, whether or not they were subject to location under the mining law."

(c) Section 34 of the Mineral Leasing Act (30 U.S.C. 182) is amended to read as follows: "This Act shall also apply to all deposits of minerals (including all varieties of sand, stone, gravel, pumice, pumicite, clay, and cinders) in the lands of the United States, which lands may have been or may be disposed of under laws reserving to the United States such deposits with the right to prospect for, mine, and remove the same, subject to such conditions as are or may hereafter be provided by such laws reserving such deposits."

(d) Section 39 of the Mineral Leasing Act (30 U.S.C. 209) shall be applicable to hard rock mineral leases issued pursuant to section 43 of the Mineral Leasing Act except as in that section provided.

(e) The Act of April 17, 1926, as amended (30 U.S.C. 271–276), is amended as follows: Section 1 (30 U.S.C. 271) by deleting the words "located in the States of Louisiana and New Mexico" and by increasing the maximum acreage of a prospecting permit from "six hundred and forty" acres to "two thousand five hundred and sixty" acres; section 2 (30 U.S.C. 272) by inserting before the number "5" the words "not less than", and by deleting the proviso; section 3 (30 U.S.C. 272) by increasing the maximum acreage of a lease from "six hundred and forty" acres to "two thousand five hundred and sixty" acres, and by changing the rental from "50 cents" to "$1" per acre per annum; section 5 (30 U.S.C. 275) by changing the words "three sulfur permits or leases in any one State during the life of such permits or leases" to "twenty thousand four hundred and eighty acres under sulfur lease or permit in any one State at any one time"; and by deleting section 6 (30 U.S.C. 276).

SEC. 5. The following new section 43 is added to the Mineral Leasing Act:

"SEC. 43. (a) The Secretary of the Interior is authorized to issue, in accordance with general regulations which he shall prescribe therefor, an exploration lease for hard rock mineral deposits to the highest responsible qualified bidder under competitive bidding, except as provided in subsection (e) of this section, when in his judgment the public interest will best be served thereby but only after consultation with the head of such agency in the case of land the surface of which is administered by a Federal agency other than the Department of the Interior. Terms on which bidders shall compete and the method of bidding, either by oral auction, sealed bids, or both, shall be specified in the notice of sale. An exploration lease shall give the exclusive right to prospect for hard rock minerals for a period of not exceeding three years in an area reasonably compact in form, as defined by the Secretary in general regulations, and described by legal subdivisions of the public land surveys, of not more than ten thousand two hundred and forty acres. Only such quantities of hard rock minerals may be extracted under an exploration lease as are reasonably required for purposes of evaluating the hard rock mineral deposits. Each exploration lease shall require that the lessee shall exercise due diligence in the prosecution of the prospecting work in accordance with a prospecting plan to be approved by an authorized representative of the Secretary before prospecting operations commence. The prospecting plan shall also include provisions for protection and restoration of the lands covered by the lease and for the protection of environmental and recreational values. The Secretary shall reserve the right to and may cancel any exploration lease issued for failure to comply with the prospecting plan. The lessee shall pay an annual rental of not less than 50 cents per acre, and shall submit to the Secretary at the expiration of the lease all exploration data obtained during the term of the lease.

(b) An exploration lease issued under this section may be extended by the Secretary for an additional period, not in excess of two years, as he deems advisable, if he finds that the lessee has been unable, with reasonable diligence, to determine the existence and workability of deposits of hard rock minerals and the lessee desires to prosecute further prospecting.

(c) Upon application by the lessee made not later than three months after the expiration of the term of his exploration lease and upon a showing that he has found a workable deposit of hard rock minerals, the lessee shall be entitled to a production lease covering that portion of the area subject to his exploration lease reasonably encompassing such deposit as determined by the Secretary. The lessee shall be entitled to a production lease for each such deposit found by him within the limits and during the term of the exploration lease but the total acreage embraced in all such production leases shall not exceed five thousand one hundred and twenty acres.

(d) Each production lease shall be in compact form described by legal subdivisions of the public land surveys or, if the land be not surveyed, by survey executed at the cost of the lessee in accordance with regulations prescribed by the Secretary. Each lease shall be conditioned upon payment to the United States of (1) a royalty of not less than 5 per centum of the gross value of the output of hard rock minerals thereunder; and (2) a minimum annual rental, payable at the date of the lease and on each anniversary date thereafter, of not less than $5 per acre. The initial annual rental prescribed shall obtain for the first two years of the term of the lease. Commencing with the rental payable for the third year of the lease, and for each of the seven succeeding years, the rental shall be increased each year by 10 per centum over the rental payable for the preceding year: *Provided*, That for any year in which there is production in paying quantities, the amount by which the rental paid for that year shall have exceeded the initial annual rental shall be credited at the option of the lessee against either royalties or the rental next coming due or refunded to him as he may elect: *Provided further*, That section 39 of the Mineral Leasing Act shall not be applicable during this period.

Each production lease shall be for a term of ten years and so long thereafter as hard rock minerals are produced in paying quantities. Unless otherwise provided by law at the time of expiration of such period, the terms and conditions of such leases shall be subject to readjustment by the Secretary ten years from the date of issuance and every ten years thereafter. Unless the lessee files objection to the proposed terms or a relinquishment of the lease, the right to which shall be absolute under this section notwithstanding the provision of section 30 of this Act, within thirty days after the receipt of the notice of proposed terms, he will be deemed to have agreed thereto. Notice of the proposed readjustments shall be given, whenever feasible, before the expiration of each such ten-year period, but receipt of notice after the expiration of each such ten-year period shall not be deemed a waiver of the right to adjust the terms and conditions of the lease.

As used in this subsection, the term "produced in paying quantities" means that the receipts from the sale or other commercial use of the output of hard rock minerals under a lease exceed operating and marketing expenses for the leased premises for a six-month period of the lease year preceding the date on which the calculation is made.

(e) Lands known to contain workable deposits of hard rock minerals and not covered by either exploration or production leases shall be subject to production lease by the Secretary to the highest responsible qualified bidder under competitive bidding, when in his judgment the public interest will best be served thereby but only after consultation with the head of such agency in the case of land the surface of which is administered by a Federal agency other than the Department of the Interior. Leases under this subsection shall not exceed five thousand one hundred and twenty acres and shall be in compact form described by legal subdivisions of the public land surveys. Terms on which bidders shall compete and the method of bidding, either by oral auction, sealed bids, or both, shall be specified in the notice of sale. Leases made pursuant to this subsection shall be subject to the terms and conditions specified in subsection (d) of this section.

(f) (1) If the holder of a hard rock mineral exploration or production lease finds any other mineral or minerals, except oil or gas, leasable under this Act so commingled with hard rock minerals in the same deposit that none is separately workable and if there is no lease or prospecting permit covering such other commingled mineral or minerals, the hard rock mineral exploration or production lease, as the case may be, shall embrace such other mineral or minerals.

(2) If the holder of a prospecting permit or lease for any other mineral, except oil or gas, leasable under this Act finds hard rock minerals in the same deposit so commingled with such other leasable mineral that neither is separately workable and if there is no hard rock mineral exploration or production lease covering such hard rock minerals, the prospecting permit or lease, as the case may be, for the other commingled mineral shall embrace such hard rock minerals.

(3) Where both an exploration or production lease for hard rock minerals and a prospecting permit or lease for another mineral, except oil or gas, leasable under this Act are held by different persons include a deposit in which both minerals are so commingled that neither is separately workable, the Secretary may impose such terms and conditions upon both parties as he deems appropriate for the proper development of the intermingled minerals, but the parties in such a situation may, with the Secretary's approval, enter into an agreement for the joint development of the deposit, and, if the Secretary deems it in the public interest, he may exclude all or any portion of the leases subject to such an agreement from the acreage limitations of section 27.

(g) The Secretary, under such terms and conditions as he may prescribe, may permit the holder of a production lease issued under this section to use so much of the surface of federally owned lands not included in the lands leased hereunder as he determines to be necessary or convenient for the extraction, treatment, and removal of the mineral deposits, but lands under the jurisdiction of any other Federal agencies shall be subject to use under this subsection only with the consent of and as designated by the head of such agency.

(h) The Secretary, under such terms and conditions as he may prescribe, may permit operating or development contracts, or processing or milling arrangements to be made subject to the Secretary's approval, by one or more production lessees with one or more persons, associations, or corporations, where operations on a large scale for the development, production, or transportation of ores are justified, whenever in his discretion the conservation of the mineral resources, the preservation of environmental and recreational values, or the public convenience or necessity may require it, or the interests of the United States may be best served thereby.

SEC. 6. (a) The first sentence of section 1 of the Materials Act of July 31, 1947, as amended by the Act of July 23, 1966 (69 Stat. 367) is amended to read as follows: "The Secretary, under such rules and regulations as he may prescribe, and if he concludes that such disposal would not be detrimental to the public interest, may dispose of hard rock minerals, as an alternative to the disposition under section 43 of the Mineral Leasing Act, or under the Mineral Leasing Act for Acquired Lands, and vegetative materials (including but not limited to yucca, manzanita, mesquite, cactus, and timber or other forest products) on public or acquired lands of the United States, including, for the purposes of this Act, land described in the Acts of August 28, 1937 (50 Stat. 874), and of June 24, 1954 (68 Stat. 270), if the disposal of such vegetative materials (1) is not otherwise expressly authorized by law, including, but not limited to, the Act of June 28, 1934 (48 Stat. 1269), as amended, and the United States mining laws, and (2) is not expressly prohibited by laws of the United States".

(b) The third sentence of section 1 of that Act is amended by inserting the words "or acquired" after the word "withdrawn.".

(c) The last sentence of section 1 of that Act is amended by adding after the last word the phrase "and the term 'hard rock minerals' means all minerals except sulfur which immediately prior to the effective date of this paragraph were subject to location under the mining law (30 U.S.C. 22–54) and all varieties of sand, stone, gravel, pumice, pumicite, clay, and cinders, whether or not they were subject to location under the mining law.".

S. 2850—INTRODUCTION OF A BILL TO ESTABLISH PROCEDURES TO RELIEVE DOMESTIC INDUSTRIES AND WORKERS INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

Mr. HANSEN. Mr. President, unlimited imports are damaging a number of American industries as well as the workers dependent on those industries.

Wyoming, the second largest sheep producing State in the Union, is being injured economically by a mounting flood of lamb meat from New Zealand, Australia, and Iceland. This meat was excluded from the Meat Import Act of 1964. Imports for the first 4 months of 1969 are running at a rate of more than 200 percent of the 1968 rate and have seriously depressed the domestic lamb market prices.

An amendment to include lamb in the 1964 quota act and set reasonable quota figures is now pending. I am hopeful that it will be approved when it is called before the Senate, but, in the meantime, I introduce another bill which would help not only the sheep and wool people but any industry that can prove injury from imports.

The bill, known as the Fair Labor Standards Trade Act, was passed by the House during the first session of the 90th Congress by a vote of 340 to 29, and has been reintroduced in the House this year.

In addition to the beef cattle, dairy and fruit industries, the bill was supported by textile manufacturers, footwear, glass, steel, fuel oil and natural gas, luggage and leather goods, chemicals, furniture, electronics, plastics, and many others as well as the unions which represent employees of these industries.

This bill does not replace any import quota bills but, rather, responds to need for further congressional attention to the threat many of our domestic industries face from foreign competition.

The bill establishes a procedure whereby the Secretary of Labor would investigate to determine if a product or related group of products is being imported into the United States under such cricumstances as to undermine the public policy expressed in the Fair Labor Standards Act—by impairing or threatening to impair seriously the health, efficiency, and general well-being of any group of workers in the United States—or the economic welfare of the community in which any such group of workers are employed.

If the investigation revealed unfair competition or undue burden on commerce from imports or conditions detrimental to workers, the President would be empowered to take such action as he deems appropriate to remove such impairment or threat of impairment.

The House committee report on the bill emphasized "that such action will be applied to the offending imports in the form of increased duties or quantitative limitations, and will not in any way be addressed to jobs or communities."

I believe there is at long last a growing awareness in Congress that we have traded off in recent years what little protection in the way of tariffs that we had left. We have done this in the interest of promoting free trade with other nations but it has not quite worked that way.

In opposing import quota bills, our free trade advocates have said that because of the agreements we made under the auspices of GATT, the General Agreement on Tariffs and Trade, any nonnegotiated duty increase would be contradictory to the present U.S. liberal trade policy.

GATT is not a permanent world trade organization, but rather an ad hoc or advisory body. The so-called Kennedy round in negotiations produced few concessions for U.S. agricultural products. Rather, there has been an increase in agricultural protectionism in other countries while protective tariffs and trade controls have been used less and less by the United States. We have been assured by the advocates of free trade that increasing exports coming from freer trade would compensate for any injury inflicted by competitive imports. But even this argument has been punctured by a continually worsening balance of payments as imports have increased at far higher rates than exports. Even the International Wheat Agreement has failed to open markets for huge U.S. wheat crops as other nations with surpluses made special deals to get what they could for theirs. So I believe it is high time to take some effective action against the freetraders who have sold the American farmer down the river and protect domestic agriculture and industry from its own government.

Reciprocal trade is—or would be—a great thing but reciprocity means two-way considerations and unless we want to lower our living standards and wage scales down to the level of those producing most of these imports, we had better act and act now.

The bill is so drawn that remedial action is possible on any item whether or not it is included in any trade agreement, present or future.

I believe a bill such as this could be effective in establishing reasonable rules for truly reciprocal trade.

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

The bill (S. 2850) to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, introduced by Mr. HANSEN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF SHIPPING ACT, 1916, AS AMENDED

Mr. INOUYE. Mr. President, the most critical problem my State of Hawaii faces is the need for stable, adequate ocean transportation. We are unique in that we are surrounded entirely by water and are cut off from any contiguous territory.

As an island State, we depend upon freighters to transport daily necessities to sustain our booming economy. Without a steady flow of ships, our economy would cease to be viable. At present the large majority of our food, clothing, and construction material moves by ocean carriers even though most people travel by air.

Unfortunately, we have encountered a serious problem resulting from the practices of some carriers which transport these vital items. Under the law as it is presently constituted, a carrier can engage in business after filing its rate schedule. It may also abandon its routes and ports for more lucrative business without the approval of the Federal Maritime Commission or the line's customers. The permissive latitude given to the carriers under existing statutes allows them to shift the locus of their business whenever more profitable opportunities arise.

While there may be legitimate business reasons for the decision to cease service, these activities have had a seriously adverse effect on merchants in Hawaii who have hitherto relied on the sailings to transport their goods. More expensive arrangements for transportation must then be made, and the prices of our products are raised even higher. The cost of living in Hawaii is the highest in the entire country, and without the assurance of steady water transportation, prices will increase even more.

The bill which I am introducing today will do nothing more than follow the current principles of the Interstate Commerce Commission. Under the practices now in effect, railroads and trucking lines under the ICC's jurisdiction must obtain a certificate of convenience and are not allowed to abandon their routes unless they can show that they are losing money, no longer serve the public interest, or can improve their service in other ways.

To counter the threat of sporadic service, I am introducing a bill that will add a new section to the Shipping Act of 1916. This section will require common carriers by water to obtain certificates of convenience and necessity before engaging in business. My bill also prohibits a carrier from abandoning the routes prescribed in the certificate if the Federal Maritime Commission does not find it in the public interest.

Carriers which have been active in bona fide operation since August 13, 1969, will be protected from administrative hearings because the Commission shall issue such certificates without requiring further proof that public convenience and necessity will be served by such operation. This is also true of carriers which have served continuously in a seasonal capacity.

This new section will provide means for amendment and revocation as the public interest may dictate. Means will be provided to suspend the certificates by application from the holder, on the Commission's initiative, or upon complaint for willful failure to comply with the provisions of this act of the Intercoastal Shipping Act of 1933. Certificates of convenience would also give the carrier leeway to improve his service.

My bill also authorizes the Commission to require annual, periodic, or special reports from carriers holding certificates pursuant to this section. Designed to provide the Commission with more information about the operation of carriers, the section also authorizes the Commission to prescribe systems of accounts, books, records and documents.

I believe that this bill is long overdue and that the public deserves the protection this measure provides. I earnestly solicit the support of my colleagues in considering this important bill.

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

The bill (S. 2852) to amend the Shipping Act, 1916, as amended, to require common carriers by water in the domestic offshore trade to obtain a certificate of convenience and necessity, and to require contract carriers by water in such trade to obtain a permit, introduced by Mr. INOUYE, was received, read twice by its title, and referred to the Committee on Commerce.

ADDITIONAL COSPONSORS OF BILLS

S. 870

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from New Jersey (Mr. WILLIAMS), I ask unanimous consent that, at the next printing the name of the Senator from Washington (Mr. JACKSON) be added as a cosponsor of S. 870, to promote the advancement of biological research in aging through a comprehensive and intensive 5-year program for the systematic study of the basic origins of the aging process in human beings.

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

S. 1032

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from New Jersey (Mr. WILLIAMS), 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. 1032, to amend the Urban Mass Transportation Act of 1964, and for other purposes.

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

S. 2674

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Hawaii (Mr. INOUYE) I ask unanimous consent that, at the next printing, the name of the Senator from New York (Mr. JAVITS) be added as a cosponsor of S. 2674, 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, on behalf of the Senator from Hawaii (Mr. INOUYE), I ask unanimous consent that, at the next printing, the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of S. 2689, 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. 2802

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Washington (Mr. MAGNUSON), I ask unanimous consent that, at the next printing, the name of the Senator from Oregon (Mr. HATFIELD) be added as a cosponsor of S. 2802, to assist the States in establishing coastal zone management programs.

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

SENATE RESOLUTION 243—RESOLUTION RELATING TO TREATMENT OF PRISONERS OF WAR BY NORTH VIETNAM

Mr. BAYH. Mr. President, on Monday, August 4, I expressed my deep concern about the welfare of American prisoners of war being held by the North Vietnamese. Although the North Vietnamese endorsed the Geneva Convention Relative to the Treatment of Prisoners of War in 1957, they have consistently refused to abide by those simple humane rules.

The officials in Hanoi have publicly stated that American prisoners receive adequate and proper care, but they have refused to permit impartial inspection of prisoner of war facilities which would substantiate and verify such claims. This is only one transgression, Mr. President, on the part of a country which continues to violate the requirements of an international agreement. Other violations include the refusal to release sick and wounded captives, the refusal to permit the regular flow of mail, and most importantly, to the chagrin of the United States, the refusal to provide even a list of those being held captive. As a result, American families have lived in uncertainty and anguish for months and years, not knowing if their loved ones are dead or alive. How much longer can we expect the more than 1,300 families to live under these conditions?

It is my contention that every effort must be exerted to obtain the release of prisoners of war. Since the State Department and the Defense Department have been thwarted at every turn because of Hanoi's obstinance; since proposals suggested by our Ambassadors at the peace talks in Paris have gone unheeded; and since North Vietnam refuses to respond to our pleas, it would seem fitting for the United Nations, an organization which is devoted to the maintenance of international peace and the achievement of international cooperation in solving problems of social, cultural, economic and humanitarian character, to take the leadership in trying to bring about compliance by the government of North Vietnam with its obligations under the Geneva Convention of 1949.

For this reason, I am today joining in the statement made by the Senator from California (Mr. CRANSTON), and the Senator from New York (Mr. GOODELL) and I am submitting a Senate resolution urging the President of the United States to request the United Nations to take such steps as may be appropriate to induce North Vietnam to honor its previous commitment to that international agreement. Recognizing the fact that the United Nations has limited authority to impose stringent sanctions on recalcitrant nations, I still am hopeful that the weight of world opinion, expressed concretely through specific action of an international organization representing more than 100 nations, might be able to encourage the North Vietnamese authorities to adopt a more humanitarian attitude toward prisoners captured in the current conflict.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks.

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

The resolution (S. Res. 243), which reads as follows, was referred to the Committee on Foreign Relations:

S. RES. 243

Whereas members of the Armed Forces of the United States and civilian personnel of the United States Government assigned to duty in South Vietnam have been captured and are held prisoner by military forces under the Government of North Vietnam;

Whereas the Government of North Vietnam has adhered to the Geneva Convention of August 12, 1949, relative to the treatment of prisoners of war;

Whereas the Government of North Vietnam has consistently refused to identify the persons so held, to release those who are sick or wounded, to permit the regular flow of mail to or from these prisoners, and otherwise to accord humane treatment to prisoners, and has refused to permit inspection of the facilities in which prisoners of war are held;

Whereas these refusals by the Government of North Vietnam are in flagrant violation of its undertakings as an adherent to this Convention and of the requirements of international law established or affirmed by it: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should request the United Nations to take such steps as may be appropriate to bring about compliance by the Government of North Vietnam with its obligations under the Geneva Convention of August 12, 1949, relative to the treatment of prisoners of war.

SENATE RESOLUTION 244—RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL PRINT ENTITLED "SUMMARY OF H.R. 13270, THE TAX REFORM ACT OF 1969"

Mr. LONG submitted a resolution (S. Res. 244) authorizing the printing of additional print entitled "Summary of H.R.

13270, the Tax Reform Act of 1969," which was considered and agreed to.

(The remarks of Mr. LONG when he submitted the resolution appear later in the RECORD under the appropriate heading.)

SENATE RESOLUTION 245—RESOLUTION CALLING FOR THE RELEASE OF AMERICAN PRISONERS OF WAR

Mr. MONTOYA. Mr. President, recently, the Secretary of Defense had occasion to publicly plead with the Government of North Vietnam and the National Liberation Front to adhere to the 1949 Geneva Convention covering prisoners of war. He specifically asked that North Vietnam and the Vietcong: release the names of prisoners held; immediately release sick and wounded prisoners; permit impartial inspection of prisoner of war facilities; give proper treatment to all prisoners; and permit a regular flow of mail. Above all, he asked for the prompt release of all American prisoners.

The response of North Vietnam was as blatantly callous as it had been to previous appeals by this and the preceding administrations. The chief North Vietnamese negotiator at Paris, Xuan Thuy, said that the question of prisoner release "is connected with other questions" before the Paris conference. He further stated that the United States would get no list of prisoners until it had ceased its "aggressive war in Vietnam and withdrawn its troops from Vietnam." The Vietcong has included a proposal for prisoner release in its peace proposals, but has linked that suggestion with a demand that the United States bear full responsibility for the devastation in North and South Vietnam.

The specifics may be different, but the message from the Vietnamese Communists is loud and clear. It is this: prisoners of war are nothing but pawns which we will use to extract military, political, and economic concessions from the United States. "Get out of Vietnam," the North Vietnamese say, "and then we will maybe let you have a list of the names of the Americans we have in custody." "Pay reparations," the Vietcong say, "and then we will return your men."

Both of these propositions are in violation of the Geneva Convention of which North Vietnam is a signatory. Both amount to nothing more than international blackmail of a particularly nasty and vicious kind. It would consign 1,300 men to limbo, with no communication with the outside world except what the Communists choose to present. The families of the great majority of these prisoners have no way of knowing whether they are alive or dead.

Some 800 of the missing men were pilots downed over North Vietnam, and we have good reason to believe that many of them who are listed as missing are actually prisoners. But fewer than 100 have been heard from in 5 years, and more than 200 of the men listed as missing in action have been in that status for more than 3½ years. That means that if they are prisoners, they have already been held longer than any U.S. serviceman was held in World War II.

There has recently come to light distressing evidence that the Pathet Lao, the Laotian Communists, are following the model of their North Vietnamese mentors. Some 114 American pilots and crewmen have been lost over Laotian territory in the unpublicized air operations over the Laotian infiltration routes to South Vietnam. Nobody except the Pathet Lao knows whether these men are alive or dead. All efforts to elicit information concerning their fate has been turned aside by the Communists.

In view of these circumstances, how can we accept at face value the assurances of the North Vietnamese, the Vietcong, or even the Pathet Lao, that captive U.S. servicemen are being humanely treated? We know that captured U.S. prisoners have been paraded through the streets of Hanoi. We can guess pretty accurately through North Vietnamese films, that some of the prisoners have apparently not received adequate medical care. In other films American officers have appeared dazed or drugged. Lt. Robert Frishman, recently released, told an Italian journalist when she interviewed him that she was the first person he had spoken to in a year and a half. This and other evidence confirm that he had been held in isolation, as have other prisoners, and subjected to inhuman physical and emotional duress.

No, we will not believe Hanoi until they open their camps to international inspection, until they permit a regular flow of mail between our men and their families. As long as Hanoi continues to evade these and other clear obligations under the Geneva Convention, we must conclude that North Vietnam has something to hide.

It has become obvious that the United States must adopt new approaches to mobilize world opinion against cruel treatment of prisoners of war, and to induce North Vietnam and other adjoining Communist-held territories to make substantive concessions on this very fundamental humanitarian issue.

Accordingly, I am today—along with my distinguished colleague, Senator CRANSTON, submitting a Senate resolution representing an attempt to secure the united and deep concern of the membership of the U.S. Senate for the welfare of American prisoners of war; its condemnation of and repugnance for the crude and callous policies toward prisoners of war pursued by Hanoi and adjoining Communist-held territories contrary to standards of simple human decency and the rule of law; and the need to obtain prompt release of all Americans now held as prisoners of war in North Vietnam and adjoining Communist-held territories. The resolution also represents an appeal to the force of world public opinion in adding its voice to and urging respect for this humanitarian issue.

I ask that other Members of this body also join me in cosponsorship of the resolution, and that each of my colleagues also join in as signatories to a letter I plan to address to His Holiness, Pope Paul VI—as one of the more potent moral forces with world stature—asking his intervention on behalf of the prisoners. I believe that an appeal from His Holiness, with his unrivaled moral authority, might also be extremely influential in helping to crystallize world opinion against arbitrary imprisonments under conditions described above, as well as serve to enhance the chances that others wrongfuly detained without trial and on dubious and trumped-up charges might be released or at least have their sentences reduced.

In this connection, Mr. President, it is as much to the advantage of the Communist nations as it is to Western countries to abide by and respect these basic humanitarian values. In this shrinking and profoundly changing world, more and more men are groping for and demanding common values and guiding principles which transcend national frontiers and will lead us to a new and better world. While nations often do not see themselves as obliged to explain or report reasons for their decisions, still it is significant that they do feel compelled to justify what they do according to principle. Certainly the principles advocated here would appear to be guiding forces in the lives of peoples everywhere. Political ideologies not withstanding, when a nation places its political actions outside of and ignores these basic values, and refuses to abide by international agreements, the effect must be to bring the wrath of world opinion on those who would choose to flaunt global policy.

The issuing of appeals to the Hanoi Government through such media as press conferences is clearly insufficient, and the administration and/or the United Nations may wish to consider the following alternatives:

First. Appeal by the United Nations: Ample precedent already exists for an appeal to the U.N. in resolutions passed relative to the treatment of prisoners by the North Koreans and the Chinese Communists during the Korean conflict, and concerning the treatment of prisoners by both Arabs and Israelis in the wake of the 6-day war.

The United States could introduce a resolution in the General Assembly calling upon the Government of North Vietnam, the National Liberation Front, and the Pathet Lao to abide by the Geneva Convention and permit the inspection of their prisoner of war camps by a duly constituted international body, such as the International Committee of the Red Cross.

That committee, which is actually wholly Swiss, is well known for its activities relative to prisoners of war.

The U.S. delegate to the Economic and Social Council could request that the Human Rights Commission, which is under ECOSOC supervision, be directed to conduct an investigation of conditions in the Communist prisoner of war camps.

The mechanics of an appeal to the U.N. could be left to the State Department and the U.S. Mission to the United Nations. But some attempt should be made to invoke the moral authority and prestige of the U.N. to obtain more humane

treatment of the prisoners, and above all their prompt release.

Second. An appeal to other international organizations giving aid to North Vietnam: The administration could consider appealing to international organizations which give aid to North Vietnam, asking them to exert pressure on Hanoi to abide by the Geneva Convention. The administration could also suggest that such groups suspend assistance to North Vietnam if it continues its present prisoner of war policy. The United States could specifically direct such an appeal to the League of Red Cross Societies, which has provided North Vietnam with approximately $1.5 million in aid over the last few years.

Third. A direct appeal to countries which have influence with North Vietnam: A number of countries, both Communist and non-Communist, have good relations with North Vietnam. The administration could consider presenting the prisoner of war problems to these governments, asking them to intercede with Hanoi. While the administration may have done this in the past, a new and expanded effort may prove worthwhile.

Fourth. An open appeal by President Thieu for a prisoner exchange: While South Vietnam has reportedly privately offered a prisoner exchange with North Vietnam, President Thieu has not openly proposed this. North Vietnam, admittedly, is not likely to accept an appeal from Saigon, but a public offer would bring the prisoner of war issue before world opinion to a greater degree than it is now.

Fifth. Appeal by wives of men "missing in action" in Vietnam: Since there is apparently deep and openly expressed sentiment among the wives of men missing in Vietnam, it might be possible to stimulate the formation of a wives' group to appeal to the U.N. to use its good offices to secure observance of the provisions of the Geneva Convention. Such a wives' committee could address an appeal to U Thant, for example. Or they could address an open appeal to the Government of North Vietnam, the NLF, and so forth. Beyond this, they might appeal through U Thant or directly to the respective Communist authorities to be permitted to visit their husbands. It could be pointed out that the failure of the North Vietnamese, and so forth, even to confirm whether their husbands are alive or dead, denies these women and their families the most fundamental of human rights, and is the cause of untold and often unnecessary anguish.

Whatever method might be adopted to bring the plight of these women to the attention of the public would highlight their situation considerably and help focus upon the purely humanitarian aspects of the request.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD at this point, and am hopeful that through a broad consensus as expressed by this august body and the further marshaling of world public opinion, we may begin to progress and see some results on this question of worldwide import which transcends all politics.

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

The resolution (S. Res. 245), which reads as follows, was referred to the Committee on Foreign Relations:

S. RES. 245

Whereas the Government of North Vietnam, the National Liberation Front of South Vietnam, and the Pathet Lao—

(1) have consistently refused to release the names of prisoners of war;

(2) have declined to release immediately sick and wounded prisoners;

(3) have refused to permit impartial inspection of their prisoner of war camps;

(4) have not guaranteed the proper treatment of all prisoners; and

(5) have not permitted a regular flow of mail between prisoners and their families; all such actions being in violation of the Geneva Convention and basic standards of human decency: Now, therefore, be it

Resolved, That the Senate of the United States most urgently calls upon the President, the Department of State, the Department of Defense, and all other concerned departments or agencies of the executive branch, the United Nations, the peoples of the world, vigorously to use all means of peaceful persuasion at their disposal to bring the facts concerning treatment of prisoners of war by the Government of North Vietnam, the National Liberation Front of South Vietnam, and the Pathet Lao, to the attention of all other governments, with a view to eliciting international support and respect for such measures as may be undertaken by the President, or such departments or agencies, and the United Nations, to obtain the prompt release of all Americans so held as prisoners of war.

ADDITIONAL COSPONSORS OF RESOLUTION

SENATE RESOLUTION 223

Mr. BAKER. Mr. President, at the request of the Senator from Alaska (Mr. STEVENS), I ask unanimous consent that, at the next printing, the names of the Senator from Wyoming (Mr. MCGEE) and the Senator from Alaska (Mr. GRAVEL) be added as cosponsors to Senate Resolution 223, expressing the sense of the Senate of the United States with respect to establishment of at least one standard metropolitan statistical area in each State.

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

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 13, 1969, he presented to the President of the United States the enrolled bill (S. 742) to amend the act of June 12, 1948 (62 Stat. 382), in order to provide for the construction, operation, and maintenance of the Kennewick division extension, Yakima project, Washington, and for other purposes.

AVIATION FACILITIES EXPANSION ACT OF 1969—AMENDMENTS

AMENDMENT NO. 138

Mr. BOGGS. Mr. President, today I am submitting an amendment to S. 2437, the Aviation Facilities Expansion Act of 1969 which is pending in the Senate Committee on Commerce. This amendment is to provide for the establishment of an Aviation Advisory Commission.

S. 2437, sponsored by the distinguished Senator from Washington (Mr. MAGNUSON), and the distinguished Senator from New Hampshire (Mr. COTTON), is very important for the future development of aviation facilities. I believe it deserves favorable consideration if we are going to see orderly expansion of an area that is growing so rapidly.

However, to simply find ways to finance this growth and provide the vehicle for development is not enough. Nor are the short-range plans for aviation currently designed by the Department of Transportation sufficient. This Nation needs a coordinated plan for airways and airports not just for 5 or 10 years. It needs to take a look far into the future and develop a blueprint that will cope with this rapid growth for many years. It needs a projection that will eliminate the crowded airports, that will eliminate unnecessary delays of aircraft on the ground, and that will establish traffic patterns that will aid traffic controllers in their vital job of guiding our planes and avoiding collisions. And, if we are going to plan for the future, we should know what kind of airports are necessary. Land is fast disappearing and if we are going to preserve suitable land to use for runways in 20 years, then we need to know now where this land is. We must establish guidelines for metropolitan areas to construct adequate facilities that will meet the needs of the future.

It is for this reason, Mr. President, that I offer this amendment.

This amendment is designed to remedy this collision course that we are now flying in our crowded skies and cramped terminals. We all know that this problem is reaching crisis proportions. The demand even today is considered by some too great for our existing facilities to handle.

This commission that I propose would develop the vitally needed guidelines for the future that are presently lacking. The commission, appointed by the President, would be composed of representatives from Government, industry, community agencies, and professional associations concerned with the aviation industry.

It would be responsible for coordinating the national airport system plan already provided for in the present bill. More important, its chief task would be to plan for the future of aviation for 20 years, if not longer, in a national air system plan. This plan would encompass all facets of aviation in an effort to develop the most comprehensive plan possible. The deadline for submission of this plan to the President and the Congress would be January 1, 1971. The date requires that the deadline for the national airport system plan referred to in the bill be changed from "2 years of the date of enactment of this act," to "prior to January 1, 1971." It is only because I regard this problem of crowded skies as critical that I recommend this date be changed.

The urgency of this situation can be realized by any air traveler today. This problem demands attention and demands it now. I think that S. 2437, if enacted,

will do much to improve the current situation. But I strongly think that a measure to provide for a long-range study of the problem must be incorporated in this bill.

Mr. President, I ask unanimous consent that the full text of the amendment be printed in the RECORD at this point.

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

The amendment (No. 138) was referred to the Committee on Commerce, as follows:

On page 10, lines 21 and 22, strike out "within two years of the date of enactment of this Act" and insert in lieu thereof "prior to January 1, 1971".

On page 10, line 24, after "The plan" insert "shall be prepared and revised with the advice of the Aviation Advisory Commission established pursuant to subsection (d) and".

On page 15, between lines 2 and 3 insert the following:

"AVIATION ADVISORY COMMISSION

"(d) (1) The President, with the advice of the Secretary, shall appoint an Aviation Advisory Commission consisting of members representing the Departments of Transportation, Defense, the Interior, and Housing and Urban Development, the Civil Aeronautics Board, the National Aeronautics and Space Administration, the Air Transport Association of America, the Aerospace Industries Association of America, Airport Operators Council International, the Association of American Railroads, the American Transit Association, the American Automobile Association, the American Trucking Association, the Aircraft Owners and Pilots Association, the Airline Pilots Association, several major metropolitan areas, and the fields of conservation and community development. The President shall also appoint a chairman for such commission with the necessary qualifications to lead such commission in effectively carrying out its functions.

"(2) Such commission shall—

"(A) advise the Secretary in the preparation and revision of the National Air System Plant pursuant to subsection (a);

"(B) prepare a Long Range National Air System Plan for at least the year 1980 or the foreseeable needs of the Nation thereafter giving consideration to airport location and size, surrounding land use, terminal arrangements, ground access, airspace use, air traffic control, airline route structure and administrative arrangements, aircraft design, environmental effects, effect on urban areas, and costs of carrying out the plan;

"(C) report an initial such plan to the President and the Congress prior to January 1, 1971, and make any necessary revisions in such plan thereafter and report such revisions to the President and the Congress; and

"(D) make such investigations and studies as are necessary to carry out its functions.

"(3) Members of such commission who are not regular full-time employees of the United States, shall, while serving on the business of the commission, be entitled to receive compensation at rates fixed by the Secretary of Transportation, but not exceeding $100 per day, including travel time; and, while so serving away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently.

"(4) The Secretary shall engage such technical assistance as may be required to carry out the functions of such commission, and the Secretary shall, in addition, make available to the commission such secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Transportation as the commission may require to carry out its functions.

"(5) In carrying out its functions pursuant to this subsection, such commission may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary of Transportation and the head of such agency."

REFORM OF INCOME TAX LAWS—AMENDMENT

AMENDMENT NO. 139

Mr. METCALF. Mr. President, I was pleased to learn from reading the report of the House Ways and Means Committee that it considers the problem of tax-dodge farming one that should not be allowed to continue. Imagine my surprise when I learned from examining what has been hailed by some as a genuine tax reform bill that the tax-dodge farmer will still be able to use the full amount of his so-called farming losses to reduce the taxes he would otherwise have to pay on his nonfarm income.

Generally the House bill now pending in the Senate Finance Committee provides that individuals and corporations would be required to list in an excess deductions account only that portion of a farm loss in a given year that exceeds $25,000. However, an individual taxpayer would not have to add any amount to his excess deductions account unless his nonfarm adjusted gross income in that year exceeded $50,000.

Back in May of this year I mentioned that the EDA approach was one of the methods I considered when I first began to look into ways to remedy the tax-dodge farming situation. After a great deal of technical discussion with experts, I was convinced that the most effective way to get at this problem without hurting the legitimate farmer would be to take the loss limitation approach. Under this method, a dollar limit would be placed on the amount of artificially created farm losses that could be used as an offset against nonfarm income in any given year.

The problem with the EDA approach is that it allows the tax-dodge farmer unlimited current deductions of farm losses, while at the same time it allows him to defer any recognized capital gains until such time as the balance in his EDA account has been substantially diminished. This means that the possibility of recapturing previously loss tax dollars by converting what would otherwise be capital gain into ordinary income to the extent of any balance in an excess deductions account may look plausible in theory, but in practice it simply will not do the job.

You have only to look as far as the revenue estimates contained in the House bill to illustrate that the EDA approach provides an ineffectual solution to this problem. The revenue increases under the farm loss provisions of the bill are estimated at $5 million in 1971 and $20 million in 1979. Contrast this with the revenue estimated contained in the study conducted by the Treasury Department during the last 2 years of the Johnson administration. In that study, the Treasury Department estimated that its loss limitation proposal would raise $145 million annually from individuals. Since farm operations carried on by corporations usually are not separately reported on a corporate tax return, data concerning the number of corporations and revenue effect on them could not be estimated in the 2-year study. To summarize, the farm loss provisions contained in H.R. 13270 are admittedly at best only 13 percent as effective as the loss limitation approach would have been, since $20 million is only 13 percent of the $145 million revenue estimate contained in Treasury's 2-year study.

I want to make one thing very clear. The loss limitation approach would include the hobby loss farmer and would limit the current deduction of his farm losses. Some people are now under the mistaken impression that the House bill would discourage hobby farming to a greater extent than the bill which I introduced last January. This is not the case. Moreover, the contrasting revenue figures I have just discussed take into account not just the EDA approach contained in the House bill, but its provisions pertaining to hobby losses, depreciation recapture, and the increased holding period for livestock. In other words, when you add up the dollar figures on all of those provisions, it is admittedly only 13 percent as effective as the loss limitation approach.

Mr. President, the Senate Finance Committee will hold hearings on this subject sometime during the months of September and October. I want to place myself on record now as requesting an opportunity to be heard. To that end, I reintroduce my tax-dodge farming bill, S. 500, as an amendment to H.R. 13270. The bill introduced by me last January is cosponsored by 26 other Senators and our loss limitation approach has the overwhelming support of all those who are sincerely interested in the working farmers of our Nation. We hope that the time is now right for the House-passed bill to serve as a vehicle for meaningful tax reform in not only this but other area that have been crying for attention way too long.

The PRESIDING OFFICER. The amendment will be received and printed, and will be appropriately referred.

The amendment (No. 139) was referred to the Committee on Finance.

TAX REFORM—AMENDMENT

AMENDMENT NO. 140

Mr. KENNEDY. Mr. President, I submit for appropriate reference an amendment to H.R. 13270, the Tax Reform Act of 1969. The amendment would require that the Federal income tax on interest and dividends must be withheld at their source.

Last month, during the Senate debate on extending the income tax surcharge, I introduced an amendment proposing the addition of a number of tax reforms to the House-passed surcharge bill. The principal reforms I proposed were con-

cerned with tax relief for poor- and middle-income groups; a minimum income tax; the allocation of deductions; and the tax treatment of capital gains, the oil industry, interest on State and local bonds, real estate transactions, and farm losses. Significant reforms in each of these areas are included in the Tax Reform Act of 1969 recently passed by the House under the able leadership of the distinguished Chairman of the Committee on Ways and Means, and now pending before the Senate Finance Committee.

In the statement accompanying my tax reform amendment last month, I mentioned briefly an additional reform that I believe is desirable—a requirement that the Federal income tax on interest and dividends must be withheld at their source. The amendment I am introducing today is designed to accomplish this reform.

Our income tax laws now require the withholding of tax only on income from wages and salary. There is no comparable requirement applicable to income from interest and dividends. All that is required is that those who pay such income must file an information return disclosing the relevant data to the Department of the Treasury.

Yet, as many experts on the revenue laws have observed, if withholding is equitable for wage-earners and is not unreasonably burdensome for their employers, it should also be equitable for the recipients of dividends and interest, and should not be unreasonably burdensome for those who pay such income. My present amendment would eliminate this inconsistency in our tax laws by requiring the tax on interest and dividends to be withheld at their source.

The revenue gain from the amendment would be significant. Under present law, there appears to be substantial underreporting of income from interest and dividends. According to the best available data from the Treasury, a total of $4 billion of such income is not reported each year on tax returns, and the resulting revenue loss is about $1 billion.

The amendment I have submitted is strongly supported by the National Committee on Tax Justice, a citizens' organization formed under the chairmanship of Senator Paul Douglas to champion the cause of tax reform throughout the Nation. Indeed, in its initial statement on tax reform, the Douglas committee regarded withholding on interest and dividends as one of the five most important tax reforms that should be enacted, ranking along with reforms in the areas of capital gains, mineral depletion allowances, interest on State and local bonds, and relief for low- and middle-income families.

The amendment I have proposed is an updated version of similar provisions that passed the House of Representatives in 1962. Subsequently, however, the Senate voted to insert the information-reporting requirement, and that requirement was subsequently enacted into law as part of the Revenue Act of 1962.

The time is now ripe to go beyond the 1962 act and require the withholding of income tax on interest and dividends at their source. Such reforms would close a major loophole in our existing tax laws, and would establish more even-handed treatment between those who earn their income from wages and salaries, and those who derive their income from interest and dividends. I believe that this reform can be accomplished without imposing an excessive burden on corporations, banks, insurance companies, savings and loan associations, and others who would be required to withhold the taxes. Therefore, I look forward to the coming hearings and debates in the Senate as a fresh opportunity to develop and implement this important reform.

Mr. President, because of the interest of this proposal to many of us concerned with the cause of tax justice, I ask unanimous consent that the amendment be printed in the RECORD.

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

The amendment (No. 140) was referred to the Committee on Finance, as follows:

AMENDMENT NO. 140

At the end of the bill insert the following:

"TITLE IX—WITHHOLDING OF TAX ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS

"SEC. 901. WITHHOLDING OF INCOME TAX AT SOURCE ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS.

"(a) In General.—

"(1) Amendment of subtitle C.—Subtitle C (relating to employment taxes and collection of income tax at source) is amended by redesignating chapter 25 as chapter 26 and by inserting after chapter 24 the following new chapter:

" 'CHAPTER 25—COLLECTION OF INCOME TAX AT SOURCE ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS

" 'SUBCHAPTER A. Interest.
" 'SUBCHAPTER B. Dividends.
" 'SUBCHAPTER C. Patronage dividends.
" 'SUBCHAPTER D. General provisions.

" 'Subchapter A—Interest

" 'Sec. 3541. Income tax collected at source on interest.

" 'Sec. 3452. Interest defined.

" 'SEC. 3451. INCOME TAX COLLECTED AT SOURCE ON INTEREST.

" '(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this chapter, every person who pays interest shall deduct and withhold on such interest a tax equal to 20 percent of the amount thereof.

" '(b) PAYEE UNKNOWN.—If the withholding agent is unable to determine the person to whom the interest is payable, the tax under this section shall be deducted and withheld at the time payment of the interest would be made if such person were known.

" '(c) CROSS REFERENCES.—

" '(1) For credit, against income tax of the recipient of the income, of amounts deducted and withheld under this section, see section 40.

" '(2) For special rules as to credit or refund of such amounts, see sections 3484, 3485, 3486, 3487, and 3506.

" '(3) For exemption from requirement of deducting and withholding on certain interest paid to certain persons, see section 3483.

" 'SEC. 3452. INTEREST DEFINED.

" '(a) GENERAL RULE.—For purposes of this chapter, the term "interest" means—

" '(1) interest on evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a corporation with interest coupons or in registered form, and, to the extent provided in regulations prescribed by the Secretary or his delegate, interest on other evidences of indebtedness issued by a corporation of a type offered by corporations to the public;

" '(2) interest on deposits with persons carrying on the banking business;

" '(3) amounts (whether or not designated as interest) paid by a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of deposits, investment certificates, or withdrawals or repurchasable shares;

" '(4) interest on amounts held by an insurance company under an agreement to pay interest thereon;

" '(5) interest on deposits with stockbrokers;

" '(6) interest on obligations of the United States; and

" '(7) in the case of a non-interest-bearing obligation of the United States—

" '(A) issued on a discount basis, and

" '(B) having a maturity date more than one year from the date of issue,

the amount by which the amount paid on surrender or redemption exceeds the issue price.

" '(b) EXCEPTIONS.—For purposes of this chapter, the term "interest" does not include—

" '(1) interest on obligations described in section 103(a) (1) or (3) (relating to interest on certain governmental obligations);

" '(2) any amount paid by—

" '(A) a foreign government or international organization,

" '(B) a foreign corporation not engaged in trade or business within the United States,

" '(C) a nonresident alien individual not engaged in trade or business within the United States, or

" '(D) a partnership not engaged in trade or business within the United States and composed in whole or in part of nonresident aliens;

" '(3) interest on deposits with persons carrying on the banking business paid to a person described in paragraph (2) (B), (C), or (D);

" '(4) any amount paid by one corporation to another corporation, if both corporations are members of the same affiliated group which filed a consolidated return for the preceding taxable year of the affiliated group;

" '(5) interest subject to withholding under subchapter A of chapter 3 (sec. 1441 and following, relating to withholding of tax on nonresident aliens and foreign corporations) by the person paying such interest, or which would be so subject to withholding by such person, but for the fact that it is not treated as income from sources within the United States;

" '(6) any amount on which the withholding agent is required to deduct and withhold a tax under section 1451 (relating to tax-free covenant bonds), or would be so required but for section 1451(d) (relating to benefit of personal exemptions);

" '(7) to the extent provided in regulations prescribed by the Secretary or his delegate, any amount payable with respect to deposits in school savings accounts; and

" '(8) any amount described in subsection (a)(2), (3), or (7) paid to a State or a foreign government or international organization (other than any amount described in subsection (a)(3) paid in respect of a transferable certificate or share).

" '(c) EXEMPTION FOR UNITED STATES.—The Secretary may authorize exemption from the tax imposed by section 3451 for any amount paid by the United States or any wholly owned agency or instrumentality thereof to the United States or any wholly owned agency or instrumenality thereof if the Sec-

retary determines that the imposition of the tax with respect to such amount will cause a burden or expense which can be avoided by granting the tax exemption.

"'Subchapter B—Dividends

"'Sec. 3461. Income tax collected at source on dividends.

"'Sec. 3462. Dividend defined.

"'SEC. 3461. INCOME TAX COLLECTED AT SOURCE ON DIVIDENDS.

"'(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this chapter, every person who pays a dividend shall deduct and withhold on such dividend a tax equal to 20 percent of the amount thereof.

"'(b) PAYEE UNKNOWN.—If the withholdholding agent is unable to determine the person to whom the dividend is payable, the tax under this section shall be deducted and withheld at the time payment of the dividend would be made if such person were known.

"'(c) AMOUNT OF DIVIDEND UNKNOWN.—If the withholding agent is unable to determine the portion of a distribution which is a dividend, the tax under this section shall be computed on the entire amount of the distribution.

"'(d) CROSS REFERENCES.—

"'(1) For credit, against income tax of the recipient of the income, of amounts deducted and withheld under this section, see section 40.

"'(2) For special rules as to credit or refund of such amounts, see sections 3484, 3485, 3486, 3487, and 3506.

"'(3) For exemption from requirement of deducting and withholding on dividends paid to certain individuals, see section 3483.

"'SEC. 3462. DIVIDEND DEFINED.

"'(a) GENERAL RULE.—For purposes of this chapter, the term "dividend" means—

"'(1) any distribution by a corporation which is a dividend (as defined in section 316); and

"'(2) any payment made by a stockbroker to any person as a substitute for a dividend (as so defined).

"'(b) EXCEPTIONS.—For purposes of this chapter, the term 'dividend' does not include—

"'(1) any amount paid in the stock, or rights to acquire the stock, of the distributing corporation if the distribution is not includible in gross income of the recipient under the provisions of section 305 (relating to distributions of stock and stock rights);

"'(2) any distribution to the extent that, under chapter 1—

"'(A) the amount thereof is treated by the recipient as an amount received on the sale or exchange of property, or

"'(B) gain or loss to the recipient is not recognized;

"'(3) any amount which is includible in gross income as a taxable dividend by reason of the provisions of section 302 (relating to redemptions of stock), 306 (relating to dispositions of certain stock), 356 (relating to receipt of additional consideration in connection with certain reorganizations), or 1081(e)(2) (relating to certain distributions pursuant to order of the Securities and Exchange Commission);

"'(4) any amount paid by one corporation to another corporation, if both corporations are members of the same affiliated group which filed a consolidated return for the preceding taxable year of the affiliated group;

"'(5) an amount which—

"'(A) is subject to withholding under subchapter A of chapter 3 (sec. 1441 and following, relating to withholding of tax on nonresident aliens and foreign corporations) by the person paying such amount, or

"'(B) would be subject to withholding under such subchapter A by the person paying such amount but for—

"'(i) the fact that it is attributable to income from sources outside the United States, or

"'(ii) the fact that the payor thereof is excepted from the application of section 1441(a) by the provisions of section 1441(c);

"'(6) any amount paid by a foreign corporation not engaged in trade or business within the United States;

"'(7) any amount described in section 1373 (relating to undistributed taxable income of electing small business corporations); and

"'(8) amounts paid pursuant to the terms of a lease entered into before January 1, 1954, if under such lease the shareholders of the lessor corporation are entitled to such amounts without deduction for any tax which any law of the United States might require to be deducted and withheld on the payment of dividends.

"'Subchapter C—Patronage Dividends

"'Sec. 3471. Income tax collected at source on patronage dividends.

"'Sec. 3472. Amounts subject to withholding.

"'SEC. 3471. INCOME TAX COLLECTED AT SOURCE ON PATRONAGE DIVIDENDS.

"'(a) REQUIREMENT OF WITHHOLDING.—Except as otherwise provided in this chapter, every cooperative to which part I of subchapter T of chapter 1 applies which pays an amount described in section 3472 shall deduct and withhold on such amount a tax equal to 20 percent of such amount.

"'(b) PAYEE UNKNOWN.—If the withholding agent is unable to determine the person to whom the amount is payable, the tax under this section shall be deducted and withheld at the time payment of the amount would be made if such person were known.

"'(c) CROSS REFERENCES.—

"'(1) For credit, against income tax of the recipient of the income, of amounts deducted and withheld under this section, see section 40.

"'(2) For special rules as to credit or refund of such amounts, see section 3484, 3485, 3486, 3487, and 3506.

"'(3) For exemption from requirement of deducting and withholding on amounts paid to certain individuals, see section 3483.

"'SEC. 3472. AMOUNTS SUBJECT TO WITHHOLDING.

"'(a) GENERAL RULE.—Except as otherwise provided in this section or section 3483, the amounts subject to deduction and withholding under section 3471 are—

"'(1) the amount of any patronage dividend (as defined in section 1388(a)) which is paid in money, qualified written notices of allocation (as defined in section 1388(c)), or other property (except nonqualified written notices of allocation as defined in section 1388(d)), and

"'(2) any amount, described in section 1382(c)(2)(A) (relating to certain nonpatronage distributions), which is paid in money, qualified written notices of allocation, or other property (except nonqualified written notices of allocation) by an organization exempt from tax under section 521 (relating to exemption of farmers' cooperatives from tax).

"'(b) EXCEPTIONS.—The provisions of section 3471 shall not apply to—

"'(1) any amount paid by one corporation to another corporation, if both corporations are members of the same affiliated group which filed a consolidated return for the preceding taxable year of the affiliated group;

"'(2) an amount which—

"'(A) is subject to withholding under subchapter A of chapter 3 (sec. 1441 and following, relating to withholding of tax on nonresident aliens and foreign corporations) by the person paying such amount, or

"'(B) would be subject to withholding under such subchapter A by the person paying such amount but for the fact that it is attributable to income from sources outside the United States; and

"'(3) any amount paid by a foreign corporation not engaged in trade or business within the United States.

"'(c) EXEMPTION FOR CERTAIN CONSUMER COOPERATIVES.—A cooperative which the Secretary or his delegate determines is primarily engaged in selling at retail goods or services of a type that are generally for personal, living, or family use shall, upon application to the Secretary or his delegate, be granted exemption from the tax imposed by section 3471. Application for exemption under this subsection shall be made in accordance with regulations prescribed by the Secretary or his delegate.

"'(d) DETERMINATION OF AMOUNT PAID.—For purposes of this subchapter, in determining amounts paid—

"'(1) property (other than a written notice of allocation) shall be taken into account at its fair market value, and

"'(2) a qualified written notice of allocation shall be taken into account at its stated dollar amount.

"'Subchapter D—General Provisions

"'Sec. 3481. Liability for return and payment of withheld tax.

"'Sec. 3482. Return and payment by United States.

"'Sec. 3483. Exemption certificates.

"'Sec. 3484. Refund of tax to individuals.

"'Sec. 3485. Refund of tax to States, tax-exempt organizations, etc.

"'Sec. 3486. Refund of tax to corporation.

"'Sec. 3487. Credit for tax withheld on corporation.

"'Sec. 3488. Obligation sold between interest-payment dates.

"'Sec. 3489. Presumption.

"'Sec. 3490. Definitions.

"'SEC. 3481. LIABILITY FOR RETURN AND PAYMENT OF WITHHELD TAX.

"'(a) GENERAL RULE.—Every person required to deduct and withhold any tax under this chapter shall, on or before the last day of the first month following the close of each quarter of his taxable year, make a return of the tax required to be deducted and withheld during such quarter and pay the tax to the officer designated in section 6151. The withholding agent shall be liable for the payment of the taxes required to be deducted and withheld under this chapter, and shall not otherwise be liable to any person for the amount of any such payment.

"'(b) TAX PAID BY RECIPIENT.—If the withholding agent, in violation of the provisions of this chapter, fails to deduct and withhold any tax under this chapter, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the withholding agent; but this subsection shall in no case relieve the withholding agent from liability for any penalties or additions to the tax otherwise applicable in respect of such failure to deduct and withhold.

"'(c) CROSS REFERENCE.—

"'For limitation on the use of Government depositaries in the collection of taxes deducted and withheld under this chapter, see the last sentence of section 6302(c).

"'SEC. 3482. RETURN AND PAYMENT BY UNITED STATES.

"'If the withholding agent is the United States the return of the tax deducted and withheld under this chapter may be made by an officer or employee of the United States having control of the payment of the amount subject to withholding, or appropriately designated for that purpose.

"'SEC. 3483. EXEMPTION CERTIFICATES.

"'(a) GENERAL RULES.—

"'(1) INDIVIDUALS UNDER AGE 18.—Any individual may file with any withholding agent an exemption certificate on which he

certifies the date of his birth. If such a certificate is filed, all amounts payable by such withholding agent to such individual, on and after the effective date for such certificate and before the beginning of the calendar year during which the certificate indicates that he will attain age 18, shall be exempt from the requirement of deducting and withholding under this chapter.

"'(2) INDIVIDUALS OVER AGE 17.—Any individual may file with any withholding agent an exemption certificate on which he certifies—

"'(A) that he will have attained age 18 before the close of the calendar year for which such certificate is filed, and

"'(B) that he reasonably believes that he will not (after the application of the credits against tax provided by part IV of subchapter A of chapter 1, other than the credits under sections 31, 39, and 40) be liable for the payment of any tax under chapter 1 for each of his taxable years any portion of which is included in the period for which such certificate will be in effect.

If such a certificate is filed, all amounts payable by such withholding agent to such individual during the period such certificate is in effect shall be exempt from the requirement of deducting and withholding under this chapter. Except as may otherwise be provided in regulations prescribed by the Secretary or his delegate, an exemption certificate filed by an individual described in this paragraph shall remain in effect only for the period beginning on the effective date of such certificate and ending at the close of the calendar year in which such period begins.

"'(3) TAX-EXEMPT ORGANIZATIONS.—

"'(A) Any organization (other than a cooperative described in section 521) which is exempt from the tax imposed by chapter 1 may file with any withholding agent who pays amounts described in section 3452(a)(2), (3), or (7) an exemption certificate on which it certifies that it is such an organization. If such a certificate is filed, all amounts described in section 3452(a)(2), (3), and (7) payable by such withholding agent to such organization on and after the effective date for such certificate shall (except as provided in subparagraph (B)) be exempt from the requirement of deducting and withholding under this chapter.

"'(B) An exemption certificate filed by an organization under subparagraph (A) shall cease to be effective on the thirtieth day after the day on which the withholding agent, with whom such certificate was filed, is notified by either the organization or the Secretary or his delegate that the organization is no longer exempt from the tax imposed by chapter 1. If an organization ceases to be exempt from such tax, it shall, within the time specified in regulations prescribed by the Secretary or his delegate, so notify each withholding agent with whom it has an exemption certificate in effect.

"'(b) EXCEPTIONS AND SPECIAL RULES.—

"'(1) CERTAIN EXCEPTIONS.—This section shall not apply to any amount—

"'(A) described in section 3452(a)(1) (relating to interest on evidences of indebtedness),

"'(B) described in section 3452(a)(3) paid in respect of a transferable certificate or share, or

"'(C) described in section 3452(a)(6) (relating to interest on obligations of the United States).

"'(2) SERIES E BONDS, ETC.—In the case of transactions involving the redemption of one or more obligations described in section 3452(a)(7) (relating to certain obligations of the United States issued on a discount basis), a separate certificate shall be filed with respect to each such transaction.

"'(3) NOMINEES, CUSTODIANS, AND JOINT OWNERSHIPS.—Under regulations prescribed by the Secretary or his delegate, the exemption provided by subsection (a) may be extended, in a manner consistent with the other provisions of this section, to—

"'(A) amounts (other than amounts described in section 3462(a), relating to dividends) paid through nominees;

"'(B) amounts paid to custodians; and

"'(C) amounts paid jointly to 2 or more individuals.

"'(4) EFFECTIVE DATE OF CERTIFICATE.—Any exemption certificate under this section shall take effect on such day as is specified in accordance with regulations prescribed by the Secretary or his delegate.

"'(5) FORM AND CONTENTS OF CERTIFICATE AND NOTICE.—Any exemption certificate under this section, and any notice under subsection (a)(3)(B), shall be in such form and contain such information as the Secretary or his delegate may by regulations prescribe.

"'(c) CROSS REFERENCE.—

"'For penalty for filing fraudulent certificate, or for failing to provide notice, under this section, see section 7205.

"'SEC. 3484. REFUND OF TAX TO INDIVIDUALS.

"'(a) GENERAL RULE.—Except as provided in subsection (e), the tax deducted and withheld under this chapter with respect to amounts received by an individual during any quarter (other than the fourth quarter) of his taxable year (together with any tax so deducted and withheld on amounts which were received by him during any prior quarter of such year and with respect to which no allowable claim for refund has been filed under this section) shall, to the extent such tax does not exceed his refund allowance as of the time the claim for refund is filed, be promptly refunded to him as an overpayment of tax. A refund of tax shall be made under this section only if the amount claimed and allowable equals or exceeds $10.

"'(b) REFUND ALLOWANCE.—For purposes of this section, the refund allowance of an individual as of the time the claim for refund is filed is an amount equal to the excess, if any, of—

"'(1) an amount equal to 22 percent of—

"'(A) the total of the deductions which, on the basis of facts existing at the time the claim for refund is filed, such individual would be allowed for the taxable year under section 151 (relating to deductions for personal exemptions), plus

"'(B) in the case of an individual who, at the time the claim for refund is filed, reasonably expects that he will be allowed a credit under section 37 (relating to retirement income) for the taxable year, the amount which, at such time, such individual reasonably expects to be the amount of his retirement income (as defined in section 37(c) and as limited by section 37(d)) for the taxable year, less

"'(C) the amounts (other than amounts on which tax is required to be deducted and withheld under this chapter) which, at the time the claim for refund is filed, such individual reasonably expects to be includible in his gross income for the taxable year; over

"'(2) the amounts of tax with respect to which an allowable claim for refund has been previously filed under this section during the taxable year.

For purposes of paragraph (1)(C), an individual who files more than one claim for refund under this section for any taxable year may use the estimate for the proceeding claim for such year unless, at the time he files the claim, he reasonably expects the amounts referred to in paragraph (1)(C) to exceed such prior estimate by more than $100.

"'(c) MARRIED INDIVIDUALS.—For purposes of subsections (a), (b), and (d), married individuals shall be treated as an individual if, at the time the claim for refund is filed, they reasonably expect that they will file a joint return for the taxable year in which such claim is filed.

"'(d) TIME FOR FILING CLAIM.—Not more than one claim may be filed under this section by any individual during any quarter of his taxable year. A refund of tax deducted and withheld on amounts received during a taxable year shall be made under this section only if claim therefor is filed on or before the last day of such taxable year.

"'(e) INDIVIDUALS NOT ELIGIBLE FOR REFUND.—No claim for refund may be filed under this section by—

"'(1) any individual (other than an individual referred to in paragraph (2) or (3)) unless, at the time the claim for refund is filed, he reasonably expects that his gross income for the taxable year will not exceed $5,000;

"'(2) any married individual unless, at the time the claim for refund is filed, he reasonably expects that the aggregate gross income of such individual and his spouse for the taxable year will not exceed $10,000;

"'(3) an intermediate tax rate individual (as defined in secteion 1(b)(2)) or a surviving spouse (as defined in section 2(b)) unless, at the time the claim for refund is filed, he reasonably expects that his gross income for the taxable year will not exceed $10,000; or

"'(4) any child, unless, at the time the claim for refund is filed, he reasonably expects that no reduction would be allowed for him under section 151(e)(1)(B) for the taxable year of his parent (or parents) beginning with or within the calendar year in which the claim for refund is filed.

"'(f) CROSS REFERENCE.—

"'For credit or refund of amounts not refunded under this section, see section 40.

"'SEC. 3485. REFUND OF TAX TO STATES, TAX-EXEMPT ORGANIZATIONS, ETC.

"'(a) GENERAL RULE.—In the case of a person which is—

"'(1) the United States or a State,

"'(2) an organization (other than a cooperative described in section 521) which is exempt from the tax imposed by chapter 1,

"'(3) a foreign government or international organization, or

"'(4) a foreign central bank of issue,

if the tax deducted and withheld under this chapter with respect to amounts received by such person during any calendar quarter exceeds the credit, if any, claimed by and allowable to such person under section 3506 (relating to credit against employment taxes) for such quarter, the excess (together with any such excess for any prior quarter of the same calendar year with respect to which no refund has been claimed and allowed under this section) shall be promptly refunded or credited to such person as an overpayment of tax. In the case of a person to which paragraph (4) applies, the amount which may be refunded or credited under this section shall not exceed the amount of tax deducted and withheld under section 3451 on interest paid on obligations of the United States which are not held for, or used in connection with, the conduct of commercial banking functions or other commercial activities.

"'(b) CROSS REFERENCES.—

"'(1) For period of limitation for filing claim under this section, see section 6511.

"'(2) For presumed date of payment of purposes of (A) period of limitation, see 6513(b), and (B) allowance of interest on overpayments, see section 6611(d).

"'SEC. 3486. REFUND OF TAX TO CORPORATION.

"'(a) GENERAL RULE.—If the tax deducted and withheld under this chapter with respect to amounts received by a corporation (other than a corporation described in section 3485(a)) during any quarter (other than the fourth quarter) of its taxable year exceeds

the amount claimed by and allowable to such corporation under section 3487 as a credit against its liability for tax under this chapter for such quarter, the excess (together with any such excess for any prior quarter of the same year with respect to which no refund has been claimed and allowed under this section) shall be promptly refunded or credited to such corporation as an overpayment of tax. A refund of tax shall be made under this section only if claim therefor is filed after the close of the period covered by the claim and on or before the last day of the taxable year.

"'(b) CROSS REFERENCE.—

"'For credit or refund of amounts not refunded under this section, see section 40.

"'SEC. 3487. CREDIT FOR TAX WITHHELD ON CORPORATION.

"'(a) GENERAL RULE.—Any tax deducted and withheld under this chapter with respect to amounts received by a corporation (other than a corporation described in section 3485 (a)) during a taxable year shall, to the extent not claimed and allowable as a credit or refund to the corporation under section 3486, be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of) the tax for which such corporation is liable under this chapter in respect of amounts paid by it during such year.

"'(b) DIVIDENDS AND PATRONAGE DIVIDENDS PAID DURING TAXABLE YEAR.—For purposes of determining the credit allowable to any corporation under subsection (a), a dividend, or amount subject to withholding under section 3471, paid by it may be considered as having been paid during the taxable year—

"'(1) in the case of a personal holding company, if treated as paid during such taxable year under section 563(b),

"'(2) in the case of a regulated investment company, if treated as paid during such taxable year under section 855(a),

"'(3) in the case of a real estate investment trust, if treated as paid during such taxable year under section 858(a), or

"'(4) in the case of a cooperative described in section 1381(a), if paid during the payment period (as defined in section 1382(d)) for such taxable year.

"'(c) SPECIAL RULE FOR CORPORATIONS WHICH ARE MEMBERS OF AN AFFILIATED GROUP.—To the extent and subject to such conditions as may be provided in regulations prescribed by the Secretary or his delegate, the tax deducted and withheld under this chapter with respect to amounts received by a corporation which is a member of an affiliated group which filed a consolidated return for the preceding taxable year of the affiliated group may, for purposes of this section, be treated as tax deducted and withheld under this chapter from any corporation which is a member of the same affiliated group.

"'SEC. 3488. OBLIGATION SOLD BETWEEN INTEREST-PAYMENT DATES.

"'For purposes of any credit or refund provided in section 3484, 3485, 3486, or 3487, in the case of an obligation which is sold or exchanged between interest-payment dates the amount required to be deducted and withheld on the interest at the end of the interest-payment period shall be treated in the manner provided in section 40(c).

"SEC. 3489. PRESUMPTION.

"'For purposes of establishing that any person is entitled to a credit or refund of any tax required to be deducted and withheld under this chapter with respect to amounts received by such person, the correct amount of such tax shall, in the absence of evidence to the contrary, be presumed to have been so deducted and withheld.

"'SEC. 3490. DEFINITIONS.

"'For purposes of this chapter—

"'(1) PERSON.—The term "person" includes the United States, a State, a foreign government, and an international organization.

"'(2) STATE.—The term "State" includes a State, the District of Columbia, a possession of the United States, any political subdivision of any of the foregoing, and any wholly owned agency or instrumentality of any one or more of the foregoing.

"'(3) FOREIGN GOVERNMENT.—The term "foreign government" includes a foreign government, a political subdivision of a foreign government, and any wholly owned agency or instrumentality of any one or more of the foregoing.

"'(4) NONRESIDENT ALIEN.—The term "nonresident alien individual" includes an alien resident of Puerto Rico.'

"(2) CLERICAL AMENDMENTS, ETC.—

"(A) The heading for subtitle C is amended to read as follows:

"*'Subtitle C—Employment Taxes and Collection of Income Tax at Source'*

"(B) The table of chapters for subtitle C is amended by striking out the last item and inserting in lieu thereof the following:

"'CHAPTER 25. Collection of income tax at source on interest, dividends, and patronage dividends.

"'CHAPTER 26. General provisions relating to employment taxes and collection of income taxes at source.'

"(C) The table of subtitles under the heading 'Internal Revenue Titles at the beginning of the Internal Revenue Code of 1954 is amended by striking out the third item and inserting in lieu thereof the following.

"'SUBTITLE C. Employment taxes and collection of income tax at source.'

"(D) The heading for chapter 26 (as redesignated by paragraph (1) of this subsection) is amended to read as follows:

"'CHAPTER 26—GENERAL PROVISIONS RELATING TO EMPLOYMENT TAXES AND COLLECTION OF INCOME TAXES AT SOURCE'

"(b) CREDITS AGAINST INCOME TAX FOR TAX WITHHELD.—

"(1) Allowance of credit.—Subpart A of part IV of subchapter A chapter 1 (relating to credits allowable) is amended by renumbering section 40 as 41, and by inserting after section 39 the following new section:

"'SEC. 40. TAX WITHHELD ON INTEREST, DIVIDENDS AND PATRONAGE DIVIDENDS.

"'(a) GENERAL RULE.—Under regulations prescribed by the Secretary or his delegate, the tax deducted and withheld under chapter 25 (relating to withholding at source on interest, dividends, and patronage dividends) shall be allowed, to the recipient of the amount with respect to which such tax was deducted and withheld, as a credit against the tax imposed by this subtitle for the taxable year in which such amount is received.

"'(b) SPECIAL RULE FOR DEPENDENT CHILDREN.—If—

"'(1) the taxpayer for his taxable year is entitled to a deduction under section 151(e)(1)(B) with respect to a child, and

"'(2) such child had, for the calendar year ending with or within the taxpayer's taxable year—

"'(A) gross income of less than $600, and

"'(B) no wages (as defined in section 3401 (a)) with respect to which withholding was required under chapter 24,

then, under regulations prescribed by the Secretary or his delegate, the taxpayer shall be entitled to the credit provided by subsection (a) with respect to amounts received by such child during such calendar year, but only if such child has not filed any claim for credit or refund of any portion of the tax deducted and withheld with respect to such amounts.

"'(c) APPORTIONMENT OF CREDIT.—For purposes of subsection (a), if an obligation is sold or exchanged between interest-payment dates—

"'(1) so much of the amount required to be deducted and withheld on the interest at the end of the interest-payment period as is properly allocable to that part of such period which ends on the date of the sale or exchange shall be treated as an amount deducted and withheld from the transferor on the date of the sale or exchange, and

"'(2) so much of such amount as is properly allocable to that part of such period which begins on the day after the date of the sale or exchange shall be treated as an amount deducted and withheld from the transferee.

"'(d) LIMITATIONS.—The credit provided by subsection (a) shall not be allowed—

"'(1) REFUND TO INDIVIDUALS.—To any individual with respect to any amount of tax allowed him as a refund under section 3484.

"'(2) CREDIT OR REFUND TO STATES, ETC.—To any person with respect to any amount of tax allowable to such person as a credit or refund under section 3485 or as a credit under section 3506.

"'(3) CREDIT OR REFUND TO CORPORATIONS.—To any person with respect to any amount of tax allowed such person as a credit or refund under section 3486 or as a credit under section 3487.

"'(4) CERTAIN DEPENDENT CHILDREN.—To any person with respect to any amount of tax which has been claimed and is allowable as a credit to such person's parent by reason of the provisions of subsection (b).

"'(5) NOMINEES, ETC.—To any person with respect to any amount of tax allowed such person as a credit under section 1444(b).'

"(2) COMMON TRUST FUNDS.—Section 584 (c) (relating to the income of participants in the fund) is amended by adding at the end thereof the following new paragraph:

"'(3) TAX WITHHELD AT SOURCE ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS.—In any case where tax under chapter 25 is deducted and withheld on any amounts received by a common trust fund, for purposes of any credit or refund provided in section 40 or 3506, or chapter 25, such tax shall, in accordance with regulations prescribed by the Secretary or his delegate, be considered as having been deducted and withheld proportionately from each participant.'

"(3) ESTATES AND TRUSTS.—Section 642(a) (relating to special rules for credits and deductions in the case of estates and trusts) is amended by adding at the end thereof the following new paragraph:

"'(3) TAX WITHHELD AT SOURCE ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS.—In any case where tax under chapter 25 is deducted and withheld on any amounts received by an estate or trust, for purposes of any credit or refund provided in section 40 or 3506, or chapter 25, such tax shall, in accordance with regulations prescribed by the Secretary or his delegate, be considered as having been deducted and withheld from each beneficiary in an amount which, when added to the amounts paid, credited, or required to be distributed to him, equals the amounts which would have been paid, credited, or required to be distributed to him in the absence of chapter 25. Any tax under chapter 25 which is deducted and withheld on amounts received by the estate or trust shall be considered as withheld from such estate or trust to the extent it is not considered as withheld from a beneficiary under the provisions of the preceding sentence.'

"(4) TECHNICAL AMENDMENTS.—

"(A) Section 275(a)(1) (relating to deduction denied in the case of certain taxes) is amended by—

"(i) striking out the word "and" at the end of subparagraph (B);

"(ii) striking out the comma at the end of subparagraph (C) and inserting "; and"; and

"(iii) adding after subparagraph (C) the following new subparagraph:

"'(D) the tax withheld at source under chapter 25 (relating to collection of income tax at source on interest, dividends, and patronage dividends),'.

"(B) Section 874(a) (relating to allowance of deductions and credits to nonresident alien individuals) is amended by striking '31 and 32' and inserting in lieu thereof '31, 32, and 40'.

"(C) Section 1314(e) (relating to inapplicability of part II of subchapter Q of chapter 1 of subtitle A to taxes imposed by subtitle C) is amended by striking 'employment taxes' and inserting in lieu thereof 'employment taxes and collection of income tax at source'.

"(D) Section 6211(b)(1) (reltaing to rules applicable in determination of deficiency) is amended by striking '31' and inserting in lieu thereof '31 or 40'.

"(E) The table of sections for part IV of subchapter A of chapter 1 is amended by striking out

"'Sec. 40. Overpayments of tax.'

and inserting in lieu thereof

"'Sec. 40. Tax withheld on interest, dividends, and patronage dividends.

"'Sec. 41. Overpayments of tax.'

"(c) INTEREST AND DIVIDENDS PAID TO NONRESIDENT ALIENS, ETC.—

"(1) WITHHOLDING RATE.—

"(A) Section 1441 (relating to withholding of tax on nonresident aliens) is amended by adding at the end thereof the following new subsection:

"'(f) TREATIES.—In the case of amounts described in section 3452(a) (relating to interest), section 3462(a) (relating to dividends), and section 3472(a) (relating to patronage dividends), the tax required to be deducted and withheld under subsection (a) shall not by reason of the provisions of any treaty be less than 20 percent of such amounts.'

"(B) Section 1442(a) (relating to withholding of tax on foreign corporations) is amended by adding at the end thereof the following new sentence: 'In the case of amounts described in section 3452(a) (relating to interest), section 3462(a) (relating to dividends), and section 3472(a) (relating to patronage dividends), the tax required to be deducted and withheld under this subsection shall not by reason of the provisions of any treaty be less than 20 percent of such amounts.'

"(2) NOMINEES, ETC.—Subchapter A of chapter 3 (relating to withholding of tax on nonresident aliens and foreign corporations) is amended by adding at the end thereof the following new section:

"'SEC. 1444. INTEREST AND DIVIDENDS PAID TO NOMINEES; CREDITS TO WITHHOLDING AGENTS.

"'(a) WITHHOLDING OF TAX BY PAYOR.—Under regulations prescribed by the Secretary or his delegate, every person who pays amounts subject to withholding under chapter 25 and who has been notified by a payee thereof that the payee is a nominee required to deduct and withhold on such amounts under section 1441 or 1442 shall, in lieu of the nominee, deduct and withhold from such amounts paid to the nominee the tax required to be deducted and withheld under section 1441 or 1442, in the same manner as if such amounts were paid by such person directly to the beneficial owner thereof.

"'(b) CREDITS TO WITHHOLDING AGENTS.—In the case of any person who is required to deduct and withhold tax under section 1441 or 1442 in respect of amounts received by him during any calendar year on which tax was deducted and withheld (or, in the case of amounts described in section 40(c)(1), was treated as deducted and withheld) under chapter 25, the taxes so deducted and withheld (or treated as deducted and withheld) under chapter 25 shall, under regulations prescribed by the Secretary or his delegate, be allowed as a credit against (but not in excess of) his liability for the year in respect of the taxes imposed by sections 1441 and 1442.'

"(3) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 3 is amended by adding at the end thereof the following:

"'Sec. 1444. Interest and dividends paid to nominees; credits to withholding agents.'

"(d) CREDIT FOR STATES AND TAX-EXEMPT ORGANIZATIONS.—

"(1) ALLOWANCE OF CREDIT.—Chapter 26 (general provisions relating to employment taxes and income tax withheld at source) is amended by adding at the end thereof the following new section:

"'SEC. 3506. SPECIAL CREDIT IN CASE OF STATES OR TAX-EXEMPT ORGANIZATIONS.

"'(a) GENERAL RULE.—In the case of a person which is a State (as defined in section 3490(2)) or which is an organization (other than a cooperative described in section 521) which is exempt from the tax imposed by chapter 1, the tax deducted and withheld under chapter 25 with respect to amounts received by it during any calendar quarter shall be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of) such person's liability (after the adjustments, if any, provided for in sections 6205(a) and 6413(a)) for such quarter in respect of the taxes imposed by chapter 21 (Federal Insurance Contributions Act) and by chapter 24 (collection of income tax at source on wages). Such credit shall be allowed only if claim therefor is made, in accordance with such regulations, at the time of the filing of the return with respect to the taxes under chapter 21 and chapter 24 for such quarter.

"'(b) OBLIGATIONS SOLD BETWEEN INTEREST-PAYMENT DATES.—For purposes of this section, in the case of an obligation which is sold or exchanged between interest-payment dates, the amount required to be deducted and withheld on the interest at the end of the interest-payment period shall be treated in the manner provided in section 40(c).

"'(c) CROSS REFERENCE.—

"'For refund under chapter 25, see section 3485.'

"(2) TECHNICAL AMENDMENTS.—

"(A) Section 3502 (relating to nondeductibility of taxes in computing taxable income) is amended by adding at the end thereof the following new subsection:

"'(c) The tax deducted and withheld under chapter 25 shall not be allowed as a deduction in computing taxable income under subtitle A either to the person deducting and withholding the tax or to the recipient of the amounts subject to withholding.'

"(B) The table of sections for chapter 26 is amended by adding at the end thereof the following:

"'Sec. 3506. Special credit in case of States or tax-exempt organizations.'

"(e) OTHER TECHNICAL AMENDMENTS.—

"(1) DECLARATION OF ESTIMATED INCOME TAX BY INDIVIDUALS.—Section 6015(a) (relating to declaration of estimated income tax by individuals) is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof 'and amounts on which tax is required to be deducted and withheld under chapter 25.'

"(2) ADJUSTMENT OF TAX; UNDERPAYMENT.—

"(A) Subsection (a)(1) of section 6205 (relating to special rules relating to assessment of employment taxes) is amended by striking out 'or 3402 is paid with respect to any payment of wages or compensation,' and inserting in lieu thereof '3402, 3451, 3461 or 3471 is paid with respect to any payment of remuneration, interest, dividends, or other amounts.'

"(B) Subsection (b) of such section is amended by striking out 'or 3402 is paid or deducted with respect to any payment of wages or compensation' and inserting in lieu thereof '3402, 3451, 3461, or 3471 is paid or deducted with respect to any payment of remuneration, interest, dividends, or other amounts'.

"(C) The heading for such section is amended to read as follows:

"'SEC. 6205. SPECIAL RULES APPLICABLE TO CERTAIN TAXES UNDER SUBTITLE C.'

"(D) The table of sections for subchapter A of chapter 63 is amended by striking out

"'Sec. 6205. Special rules applicable to certain employment taxes.'

and inserting in lieu thereof

"'Sec. 6205. Special rules applicable to certain taxes under subtitle C.'

"(3) USE OF GOVERNMENT DEPOSITARIES.—Section 6302(c) (relating to use of Government depositaries) is amended by adding at the end thereof the following new sentence: 'The Secretary or his delegate shall not require the deposit under this subsection of any tax deducted and withheld under chapter 25 (relating to collection of income tax at source on interest, dividends, and patronage dividends) in a Government depositary before the last day prescribed in section 3481 for payment of the tax.'

"(4) EXCESSIVE WITHHOLDING.—Section 6401(b) (relating to excessive withholding) is amended to read as follows:

"'(b) Excessive Credits Under Sections 31, 39, and 40.—If the amount allowable as credits under sections 31 (relating to tax withheld on wages), 39 (relating to certain uses of gasoline and lubricating oil), and 40 (relating to credit for tax withheld on interest, dividends, and patronage dividends) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1, other than the credits allowable under sections 31, 39, and 40), the amount of such excess shall be considered an overpayment.'

"(5) ADJUSTMENT OF TAX; OVERPAYMENT.—

"(A) Subsection (a)(1) of section 6413 (relating to special credit and refund rules applicable to certain employment taxes) is amended by striking out 'or 3402 is paid with respect to any payment of remuneration,' and inserting in lieu thereof '3402, 3451, 3461, or 3471 is paid with respect to any payment of remuneration, interest, dividends, or other amounts,'.

"(B) Subsection (b) of such section is amended—

"(i) By striking from the heading of such subsection the words 'OF CERTAIN EMPLOYMENT TAXES'; and

"(ii) By striking out 'or 3402 is paid or deducted with respect to any payment of remuneration' and inserting in lieu thereof '3402, 3451, 3461, or 3471 is paid or deducted with respect to any payment of remuneration, interest, dividends, or other amounts'.

"(C) The following new subsection is added at the end of such section:

"'(e) CROSS REFERENCES.—

"'For special refunds or credits of tax withheld on interest, dividends, or patronage dividends under chapter 25, see sections 3484, 3485, 3486, 3487, and 3506.'

"(D) The heading for such section is amended to read as follows:

"'SEC. 6413. SPECIAL RULES APPLICABLE TO CERTAIN TAXES UNDER SUBTITLE C.'

"(E) The table of sections for subchapter B of chapter 65 is amended by striking out

"'Sec. 6413. Special rules applicable to certain employment taxes.'

and inserting in lieu thereof

"'Sec. 6413. Special rules applicable to certain taxes under subtitle C.'

"(6) OVERPAYMENT NOT DEDUCTED AND WITHHELD.—Section 6414 (relating to income tax

withheld) is amended by striking 'chapter 3' and inserting in lieu thereof 'chapter 3 or 25'.

"(7) TIME TAX CONSIDERED PAID.—Section 6513(b) (relating to time tax considered paid) is amended by adding at the end thereof the following new paragraph:

"'(4) Any tax deducted and withheld under chapter 25 which is allowable under section 40, 3484, 3485, or 3486 as a credit against tax or as a refund of an overpayment (or an amount treated as an overpayment) of the tax imposed by chapter 1 shall, in respect of the person entitled to such credit or refund, be deemed to have been paid by him on the last day prescribed for filing the return (determined without regard to any extension of time for filing such return) of tax under chapter 1 for his taxable year in which the amount subject to withholding under chapter 25 is received by him or, if such person has no taxable year, on the fifteenth day of the fifth calendar month following the close of such person's annual accounting period within which such amount is received by him. In the case of an amount allowable as a credit under section 40(b) to the parent of a child, such amount shall, if claimed by the parent, be deemed to have been paid on the last day for filing his return (determined without regard to any extension of time for filing such return) for his taxable year which begins with or within the calendar year in which amounts subject to withholding under chapter 25 were received by the child.'

"(8) FAILURE TO PAY ESTIMATED INCOME TAX.—

"(A) Individuals.—Section 6654 (relating to failure by individuals to pay estimated income tax) is amended—

"(i) by striking out subsection (e) and inserting in lieu thereof the following:

"'(e) APPLICATION OF SECTION IN CASE OF WITHHELD TAXES.—For purposes of applying this section—

"'(1) the estimated tax shall be computed without any reduction for amounts which the individual estimates as his credits under section 31 (relating to tax withheld at source on wages) and section 40 (relating to tax withheld on interest, dividends, and patronage dividends); and

"'(2) the amount of the credits allowed under sections 31 and 40 for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date (determined under section 6153) for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld (or in the case of amounts described in section 40(c)(1), were treated as withheld), in which case the amounts so withheld shall be deemed payments of estimated tax on such dates.' and

"(ii) by inserting before the period at the end of subsection (f) the following: 'and section 40 (relating to tax withheld on interest, dividends, patronage dividends)'.

"(B) CORPORATIONS.—Section 6655 (relating to failure by corporation to pay estimated income tax) is amended—

"(i) by striking out the period at the end of subsection (e)(1)(B)(i) and inserting in lieu thereof ', other than the credit against tax provided by section 40 (relating to tax withheld on interest, dividends, and patronage dividends).'; and

"(ii) by adding at the end of such section the following new subsection:

"'(h) APPLICATION OF SECTION IN CASE OF TAX WITHHELD ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS.—For purposes of applying this section—

"'(1) the estimated tax shall be computed without any reduction for the amount which the corporation estimates as its credit under section 40 (relating to tax withheld on interest, dividends, and patronage dividends); and

"'(2) the amount of the credit allowed under section 40 for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date (determined under section 6154) for such taxable year, unless the corporation establishes the dates on which all amounts were actually withheld (or in the case of amounts described in section 40(c)(1), were treated as withheld), in which case the amounts so withheld shall be deemed payments of estimated tax on such dates.'

"(9) PENALTY FOR FILING FRAUDULENT EXEMPTION CERTIFICATE.—Section 7205 (relating to fraudulent withholding exemption certificate or failure to supply information) is amended by adding the following new sentence at the end thereof: 'Any person who willfully files an exemption certificate with any withholding agent under section 3483, on which the certification is known by him to be fraudulent or to be false as to any material matter, or who is required to file a notice under subsection (a)(3)(B) of section 3483 and who willfully fails to provide such notice in the manner, at the time, and showing the information required under such subsection (a)(3)(B), or the regulations prescribed thereunder, shall, in lieu of any penalty otherwise provided, upon conviction thereof, be fined not more than $500 or imprisoned not more than 1 year, or both.'

"(10) OFFENSES WITH RESPECT TO COLLECTED TAXES.—The last sentence of section 7215(b) (relating to offenses with respect to collected taxes) is amended to read as follows: 'For purposes of paragraph (2), a lack of funds existing immediately after the payment of wages or amounts subject to withholding under chapter 25 (whether or not created by the payment of such wages or amounts) shall not be considered to be circumstances beyond the control of a person.'

"(11) DEFINITION OF WITHHOLDING AGENT.—Section 7701(a)(16) (defining the term 'withholding agent') is amended by striking out 'or 1461' and inserting in lieu thereof '1461, 3451, 3461, or 3471'.

"(f) EFFECTIVE DATES.—

"(1) GENERAL RULE.—Except as provided in paragraph (2), the provisions of this section shall apply in the case of interest and dividends paid on or after January 1, 1970.

"(2) SPECIAL RULES.—

"(A) In the case of transferable obligations described in paragraph (1) or (6) of section 3452(a) of the Internal Revenue Code of 1954, the provisions of this section shall apply only to interest paid with respect to interest-payment periods commencing on or after January 1, 1970.

"(B) The provisions of this section shall apply to amounts described in section 3472 of such Code paid on or after January 1, 1970, with respect to patronage occurring on or after the first day of the first taxable year of the cooperative beginning on or after January 1, 1970."

TREATMENT OF AMERICAN PRISONERS OF WAR IN NORTH VIETNAM

Mr. CRANSTON. Mr. President, 38 Senators have joined the Senator from New York (Mr. GOODELL) and me in signing the attached statement concerning the treatment of American prisoners of war in North Vietnam.

We intend to forward copies of this statement to the Secretaries of State and Defense, urging that they bring it forcefully to the attention of the North Vietnamese negotiators in Paris.

Mr. President, I ask unanimous consent that the statement be included in the RECORD.

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

JOINT STATEMENT ON VIETNAM POW'S BY SENATOR ALAN CRANSTON AND SENATOR CHARLES E. GOODELL

Along with Americans everywhere, we too rejoiced with the families of the three servicemen freed from North Vietnamese captivity.

These gallant men emerged from their ordeal physically weakened, but unwavering in their courage and loyalty.

Yet even as we share the joy of their release, our happiness is clouded by the knowledge that 1,365 other American families are still waiting—some for the release of a husband or son, some even for definite word whether a loved one is dead or alive.

For many of these families, the North Vietnamese could devise no subtler cruelty than their persistent refusal even to provide a list of names of the prisoners in their custody. Each of us regularly receives poignant letters from parents and wives of the more than 1,000 men who are missing and thought to be prisoners of the North Vietnamese and the more than 300 known to be in custody.

When, they ask, will our men be able to come home?

And, all too often, how can we find out if they are still alive?

It is hard for us to understand how Hanoi can maintain so callous a position. By our own standards, this kind of cruelty imposed on innocent bystanders is both repugnant and virtually unthinkable.

Yet it may be that North Vietnam hopes through such cruel pressure to influence the policy of the United States toward the Vietnam conflict.

If this is their intention, they are doomed to failure. Neither we in Congress, nor the Administration, or the American people as a whole, nor indeed the families directly affected, will be swayed by this crude attempt.

Though we may differ in our views on the future course of American policy in Vietnam, we are firmly united in support of the position on our prisoners made clear both by the present Administration and by its predecessor.

In 1967, for example, the United States formally protested mistreatment of American prisoners and urged North Vietnam to observe the provisions of the 1949 Geneva Convention Relative to the Treatment of Prisoners of War. Equally important, our government asked Hanoi to permit impartial observers to verify its claims that our men were being treated humanely—claims contradicted by a growing body of evidence that prisoners were being subjected to emotional and physical duress.

Indeed, Hanoi had threatened a year earlier to put American prisoners on trial as war criminals, a clear violation of the Geneva Convention. Fortunately, they were dissuaded from their plans by worldwide protests against this extreme form of inhumane treatment.

Efforts to help our servicemen held by North Vietnam have been pursued with equal vigor by the present Administration. Secretary of State Rogers, Secretary of Defense Laird, and Ambassador Lodge in Paris have all pressed North Vietnam in recent months for compliance with the provisions of the Geneva Convention. In particular, they have urged such basic steps as repatriation of sick and wounded prisoners and the furnishing of a list of men actually in North Vietnamese hands.

This latter, most basic, request was brutally rebuffed by North Vietnamese representative Xuan Thuy in Paris, who flatly refused even to identify the American prisoners held in his country so long as the United States "continued its aggressive war in Vietnam."

This obvious attempt by Hanoi to capitalize on our deep concern for these men, and to turn it to their propaganda or political advantage, is inhumane and inexcusable.

We urge Hanoi not to be misled by our divergences on policy into believing that we are not united on this issue of simple humanity. Cruelty of the kind being practiced in this instance by North Vietnam can serve only to increase our determination and, in the words of Ambassador Lodge, "cannot have a favorable effect on our negotiations."

We therefore pledge our full support to the Administration in its efforts on behalf of the American servicemen held captive in North Vietnam.

With the Administration, we too ask Hanoi to prove the "humane and generous" policy it claims to follow in treatment of prisoners by naming the men in captivity, by immediately repatriating the sick and wounded, by permitting impartial inspection of prison facilities, by assuring proper treatment of all prisoners, by making possible a regular flow of mail, and by undertaking serious negotiations for the prompt release of all American prisoners in their custody.

And, finally, we urge the governments, the statesmen, and the ordinary men and women around the world who spoke out against "war crimes trials" in 1966 to make their voices heard once more. Then, as now, the issue was not political but humanitarian—and Hanoi responded to the force of world public opinion. If that force can again be mobilized, this too may contribute to inducing from Hanoi greater respect for human decency and for the rule of law.

LIST OF MEMBERS WHO SIGNED JOINT STATEMENT ON VIETNAM POW'S

Gordon Allott, Colo., Birch Bayh, Ind., Alan Bible, Nev., J. Caleb Boggs, Del., Edward W. Brooke, Mass., Robert C. Byrd, W. Va., Marlow W. Cook, Ky., Alan Cranston, Calif., Peter H. Dominick, Colo., Thomas F. Eagleton, Mo., Allen J. Ellender, La., Barry Goldwater, Ariz., Charles E. Goodell, N.Y.

Mike Gravel, Alaska, Robert P. Griffin, Mich., Edward J. Gurney, Fla., Fred R. Harris, Okla., Philip A. Hart, Mich., Ernest F. Hollings, S.C., Harold E. Hughes, Iowa, Henry M. Jackson, Wash., Charles McC. Mathias, Jr., Md., Thomas J. McIntyre, N.H., Walter F. Mondale, Minn., Joseph M. Montoya, N. Mex.

George Murphy, Calif., Edmund S. Muskie, Maine, Gaylord Nelson, Wis., Robert W. Packwood, Oreg., James B. Pearson, Kans., Claiborne Pell, R.I., Charles H. Percy, Ill., William Proxmire, Wis., Abraham Ribicoff, Conn., Richard S. Schweiker. Pa., Hugh Scott, Pa., William B. Spong, Jr., Va., Strom Thurmond, S.C., Joseph D. Tydings, Md., Harrison A. Williams, Jr., N.J., Ted Stevens, Alaska, Howard W. Cannon, Nev.

Mr. SPONG. Mr. President, I wish to associate myself with the remarks of the junior Senator from California (Mr. CRANSTON) and the junior Senator from New York (Mr. GOODELL).

The position of the North Vietnamese with regard to U.S. prisoners of war is indefensible and inexcusable.

Hanoi has consistently ignored basic provisions of the Geneva Prisoner of War Convention of 1949 by its failure to provide names of prisoners, to allow them to correspond with their families and to allow them to be visited by Red Cross representatives. In addition, there are indications that many of those held prisoner have been exploited and subjected to mental and physical abuse.

As a result, neither the U.S. Government nor the families of numerous soldiers know whether or not these men are still alive, what their state of health may be, or what treatment they may be receiving.

More than 300 servicemen are assuredly in custody of the North Vietnamese, and more than 1,000 others are missing under circumstances suggestive of North Vietnamese capture.

A policy such as that followed by the North Vietnamese represents a callous disregard for these men and their families and a gross indifference to international agreements.

I am grateful for the efforts of this administration and the preceding one to secure the adherence of North Vietnam to the Geneva Convention and I am certain that these efforts will be continuing and tireless ones. At the same time, I believe it incumbent upon all humane nations and peoples to prevail upon the North Vietnamese to modify existing policy, in the hope that worldwide public pressure will help evoke a beneficial change.

Mr. HATFIELD. Mr. President, on the eve of the summer adjournment of Congress, as I make preparations for returning to Oregon for a visit with family and friends, thoughts cannot help turning to those families of more than 1,300 servicemen known to be held captive in North Vietnam or simply listed as missing in action. Not only are those families without visits to look forward to; they do not know if their loved ones are safe, or even alive.

As attention is focused on peace overtures and the circumstances of the men now in the field in Vietnam, it is easy to overlook the American servicemen being detained in North Vietnamese prisons. For their families at home, there is no word—just continued uncertainty, coupled with more waiting and a fervent hope that soon they will hear from their fathers, husbands, and sons. Yet more than 200 men are known to have been captive for over 3½ years and have not been allowed communication since 1966.

In speaking of her children, one yet hopeful, though distressed, mother said:

> They need their father . . . They talk about him every day . . . They pray for him every night.

And, with hundreds of other women across the country, this wife and mother has joined in the appeal to obtain some word as to her husband's condition.

Secretary Laird's response has been admirable in asking the North Vietnamese for a release of all Americans being held captive, or at least a compliance with the 1949 Geneva Convention provisions relating to prisoners of war. But, according to Xuan Thuy, Hanoi's chief delegate at the Paris peace talks, nothing is going to be done about the prisoners until all U.S. forces are withdrawn.

Although the administration appears to be seeking a minimal assurance of humane treatment of American prisoners, the North Vietnamese in the meantime refuse to release a list of the captives, prohibit a regular inspection of prison camps by the International Red Cross, and disallow mail service. The exact state of the prisoners' conditions is unknown.

There is no way to force the North Vietnamese Government to provide a humanitarian treatment to American prisoners, or even a sure way to achieve convention compliance; but it is our obligation to pledge our full support to any measure which might bring an acceptable treatment of our captured men.

UNITY ON BEHALF OF AMERICAN PRISONERS OF WAR IN NORTH VIETNAM

Mr. GOLDWATER. Mr. President, it is a great pleasure for me to be among the many Senators who have signed the joint statement being released today relative to the expression of our full support to the cause of securing the humanitarian treatment and early release of the more than 1,300 American prisoners of war held by North Vietnam.

As a Senator from Arizona, I have a special feeling about this subject that is caused by my personal knowledge of the extent of the suffering which is being borne by so many families in our State. It is an unusual facet of this problem that nearly 6 percent of the families of American prisoners of war reside in Arizona—a State which has less than 1 percent of the Nation's total population.

The joint statement we have issued today provides precisely the type of united support on behalf of our captured servicemen which I called for in my address to the Senate on August 5. At that time I suggested that we take steps to demonstrate our determination, unity, and resolve on this matter. Also, I asked that we provide a solid backing for the administration in its new and vigorous efforts to achieve progress toward the more humane treatment and speedy release of our captured servicemen.

Mr. President, I am happy that the joint statement makes these points evident in no uncertain terms. The message of this statement, which has been endorsed by almost one-half of the membership of the Senate, rings loud and clear to the North Vietnamese, and to any governments who may have an influence on them, to declare that we are unanimous in our condemnation of the despicable conditions of confinement which American prisoners are suffering.

In my earlier remarks I detailed many particulars of the inhumane treatment of captured Americans and sought to illuminate the differences between this conduct and the proper treatment of North Vietnamese prisoners by the South Vietnamese Government. I was compelled to mention the several peaceful initiatives begun by the United States and to compare these moves with the arrogant and uncooperative response of the North Vietnamese representatives.

Mr. President, the administration has made a new attempt to attack this problem by transferring the primary responsibility for action on the prisoner problem to the Department of Defense, where it is presently being pursued with great determination. Now it is our turn to play a role. With this joint statement we will erect a solid foundation under the administration's efforts and, perhaps, contribute to a groundswell of world opinion that will gather in force until even the callous officials in North Vietnam are

moved to honor the basic rules of humanity laid down in the Geneva Convention.

ACTION IN THE NAME OF HUMANITY

Mr. WILLIAMS of New Jersey. Mr. President, I am pleased to join Senators today in appealing to the North Vietnamese Government to honor the 1949 Geneva Convention relative to the treatment of prisoners of war.

Not political consideration, not diplomatic maneuvering, not international balances—nothing but a deep sense of humanity and decency—is necessary to underscore the importance of these four basic requests:

First. Release immediately all sick and injured prisoners.

Second. Allow an uninterrupted exchange of mail between prisoners and their families.

Third. Permit impartial inspection of prison facilities.

Fourth. Release complete and up-to-date lists of prisoners held by the North Vietnamese, or their allies, the Pathet Lao, and the Vietcong.

War is an awful clamor of guns and explosions—but frequently, when men are captured, war is an agonizing echo of silent isolation. For these haunted men, somewhere behind the lines, there should be no hesitation in our efforts to be compassionate.

As early as January 1968, I called upon the Johnson administration to negotiate directly with the Vietcong for the release of the more than 700 men then being held prisoner. In my letter I stated:

> We cannot dismiss the possibility of these negotiations with excuses that we do not recognize the Viet Cong as a valid government or because American military policy dictates turning over our captured to the South Vietnamese.

The position of the United States concerning negotiation with the North Vietnamese and their allies over prisoner repatriation has become more flexible since the beginning of the Paris peace talks. We have and will continue to attempt to convince all parties at the Paris talks to seek speedy means of compliance with the 1949 Geneva Convention.

In spite of these efforts, the issue of prisoner repatriation transcends all political and military rhetoric. The human terms in which we speak of wives, and parents, and children waiting in anguish for word of their brave loved ones debase all attempts at propaganda. The well being of those young men who have so valiantly and selflessly jeopardized their safety serving their country is in the hearts and minds of all Americans and all free men today. Every parade of prisoners through North Vietnamese streets, each staged inspection of prisoner facilities, and every propaganda photo of prisoners receiving mail is repugnant to men of conscience and good will.

Mr. President, it is with a sense of the utmost urgency that I join Senators today in fully supporting this administration's efforts on behalf of the American servicemen held captive in North Vietnam. We call upon world opinion today, as we did in 1966, when North Vietnam threatened captured Americans with trial as war criminals, to resolve this question in the best interests of humanity.

Mr. DOLE. Mr. President, one of the saddest consequences of our present war in Vietnam is the refusal of North Vietnam to give humane treatment to American prisoners and to abide by the 1949 Geneva Convention relative to the treatment of prisoners of war.

The recent release of three American prisoners represents a great deal of propaganda for Hanoi but virtually no progress towards a humane policy for the 1,300 other American prisoners in their hands.

The North Vietnamese have steadfastly refused to abide by international law—they have refused to repatriate those who are sick or injured—they have refused to allow inspections by representatives from international organizations to determine if the prisoners are receiving humane treatment—they have even refused to acknowledge if these men are still alive.

This blatant disregard for the provisions of the Geneva Convention will strengthen rather than weaken the American will to insure that a just settlement is reached for the South Vietnamese and those Americans still in prisons in North Vietnam.

In my State of Kansas, more than 50 families are waiting, not knowing whether their loved ones are receiving humane treatment, not knowing whether they are injured, not even knowing whether they are alive or dead, or the day when Hanoi will take a more humane view of those who are suffering most from this conflict.

I, therefore, am gratified to join with the Senator from California (Mr. CRANSTON) and the Senator from New York (Mr. GOODELL) in fully supporting the administration in its efforts on behalf of American servicemen held captive in North Vietnam and in adding my name to those of people from all over the world in urging Hanoi to respond to this basic humanitarian issue.

SMALL BUSINESS ADMINISTRATION LOAN GUARANTEE PROGRAM

Mr. GRAVEL. Mr. President, the Small Business Administration loan guarantee program has been effectively stifled due to the restricted availability of bank funds. Besides the lack of available bank funds today, long-term loans to the small businessman, the SBA loan guarantee program is supposedly available but the lack of bank participants leaves him with nothing but hopes.

For the past 4 months I have been working with insurance companies and Mr. Hilary Sandoval on policy changes that would bring into the program a meaningful injection of funds.

I was heartened by Mr. Sandoval's serious consideration of this problem and the resultant policy change agreed to by SBA. Henceforth, insurance firms and pension funds, among others, working in conjunction with local banks, can now invest millions of dollars in the SBA loan guarantee program.

I ask unanimous consent to place in the RECORD my correspondence with Mr. Sandoval and telegrams I have received from the Guardian Life Insurance Co. of America, Massachusetts Life Insurance Co., and Beneficial Standard Life Insurance Co.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

JULY 28, 1969.

Mr. HILARY SANDOVAL,
Administrator, Small Business Administration, Washington, D.C.

DEAR HILARY: Pursuant to our numerous meetings on the availability of additional loan funds under the Loan Guaranty Program, I respectfully request your consideration to approve the following clause for future agreements with lending institutions:

"In the event the bank assigns its guaranteed portion of the loan to another lender, then SBA may accept such assignment as a waiver by bank of any claim upon said assigned share of the loan and SBA may make distribution for said assigned share to the new owner of such portion. However, any such assignment shall not constitute any release of bank from any obligation or liability by bank under the Guaranty Agreement between bank and SBA. Furthermore, the new owner agrees that any and all security of any nature held by the new owner as security for said loan shall secure both the new owner and SBA in proportion to their respective interests in the loan."

Numerous insurance executives have assured me that they would like to see this kind of agreement incorporated in guarantee contracts with the SBA. They feel that such an arrangement would open the door to a substantially increased flow of capital for the program in question.

I would appreciate a meeting with you on this matter at your earliest convenience. Kindest personal regards.

Sincerely,

MIKE GRAVEL.

SMALL BUSINESS ADMINISTRATION,
Washington, D.C., July 30, 1969.

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

DEAR SENATOR GRAVEL: Thank you for your letter of July 28, 1969. I am happy to advise that we have no objection to the substance of the provision proposed. The proposed clause is consistent with our guaranty program. We are most grateful for your work with various insurance companies. This type of encouragement is vital if we are to meet our objective of increasing participation by private investors.

The Guaranty Agreement usually used between the Small Business Administration and the original participant provides ". . . nothing contained herein shall prevent the Bank from granting to other financing institutions participating shares in its interest in the Note, provided notice thereof is furnished to SBA; provided, however, that SBA shall recognize and deal only with the Bank. . . ." Accordingly, we have no objection if the original participant assigns part of the guaranteed loan to a second participant, or if they mutually agree that only the guaranteed portion will be assigned to the second participant. Furthermore, if SBA is notified of any such assignment, we will recognize it.

It is understood that the obligation of the original participant in connection with the making and servicing of the loan remains unchanged by the assignment to the second participant, and SBA's obligation to purchase the guaranteed share also remains unchanged. Any security held by SBA, or by the original participant, or by the second participant, to secure the guaranteed loan shall be held to secure each participant in proportion to its respective interest in the loan.

We appreciate your continued interest and support.

Sincerely,

HILARY SANDOVAL, JR.,
Administrator.

BENEFICIAL STANDARD LIFE INSURANCE CO.,
Los Angeles, Calif., August 1, 1969.
Senator MICHAEL GRAVEL,
Senate Office Building,
Washington, D.C.:

Thank you for your assistance in facilitating the new Small Business Administration guaranteed loan program. We are looking forward to participating in this program.

MARCUS LOEW,
W. T. HOVEY.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO.,
Springfield, Mass., August 1, 1969.
Senator MICHAEL GRAVEL,
Senate Office Building,
Washington, D.C.:

We are very pleased to hear of your great assistance in simplifying the Small Business Administration participation loans. This policy will actively permit us to participate in the 90/10 program of the Small Business Administration. Again we want to compliment you on your successful efforts.

D. WHEELER.

GUARDIAN LIFE INSURANCE CO. OF AMERICA,
New York, N.Y., August 12, 1969.
The Honorable MIKE GRAVEL,
U.S. Senate,
Washington, D.C.:

We appreciate your efforts working with Mr. Hilary Sandoval, administrator, Small Business Administration with objective obtaining SBA approval clarifying documentation which would permit assignment guaranteed portions of loans. This will motivate us to increase our already substantial participation SBA loan program.

EULENE F. GLEASON,
Vice President and Treasurer.

ROYALTY PAYMENTS TO COPYRIGHT OWNERS

Mr. HART. Mr. President, yesterday I submitted an amendment, No. 137, to the Copyright Act, S. 543, which would substitute a flexible formula for the present flat-rate mechanical royalty payment to copyright owners

The president of the American Guild of Authors & Composers, Mr. Edward Eliscu, has prepared a comprehensive statement describing the necessity for the amendment and its practical effect. So that all might have a fuller understanding of the proposal, I ask unanimous consent that his statement be printed in the RECORD.

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

STATEMENT BY EDWARD ELISCU

The subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, has been considering the first revision of the Copyright Act since 1909. This Act was passed to protect and encourage the creators of copyrighted works, and thus promote the useful arts. The pace of technology and the vast changes in our economy in the last 60 years have made it necessary to modernize the framework of copyright protection, if we are to encourage and protect creative artists in years to come.

One section of the present Act in particular needs reform if this is to be accomplished. I refer to the provision that once a copyright owner of a nondramatic musical work grants a license to record that work to one person, he must make that right available to all persons in exchange for a fixed royalty, called a "mechanical royalty," of 2 cents for each selection contained on the record.

It takes no student of economic history to know that since 1909, the purchasing power of the dollar has shrunk drastically. Between 1958 and 1968, the average annual mechanical royalty received by authors and composers dropped from $1,100 to $800—a decline of 27%. Inflation has whittled down the buying power of the 1968 return to only $650 in 1958 dollars. Unless a more equitable method of determining royalties is devised, these creative people who have been tied to the same 2 cent royalty ceiling for 60 years, will have to struggle with it indefinitely into the future. At a time when Congress is being asked to cope with the effects of inflation of just the past few years, it is remarkable that we have not helped those who have been buffeted by inflationary winds for so long.

In January of this year, the distinguished Chairman of the subcommittee, Senator McClellan, introduced a bill, S. 543, that incorporated the copyright revisions passed by the House of Representatives in April, 1967. Among them is an increase in the mechanical royalty rate from 2 cents to 2½ cents per selection. While a step in the right direction the 2½ cent royalty makes no provision for future changes in the record business, or in the economy, which might make that royalty either too high or too low. Since the House passed its bill, for example, consumer prices have risen by almost 11%. Since 1964—the date of the data compiled for the economic studies the House used in making its decision—consumer prices have risen more than 18%.

We live in changing times. In 1909 the old player piano provided one of the commonest means of reproducing music for entertainment in the home. Since that year, we have seen piano rolls give place to fast playing records with few selections, which in turn gave place to slow playing records with many selections. Now we are witnessing the rapid growth of a new phenomenon in the recording industry, the tape cartridge and cassette, which has brought recorded music into automobiles as well as the home. Tapes account for approximately 20 per cent of record sales and are constantly increasing their share of the market. Although tapes sell for more than disc recordings, under present law the copyright holder receives no more for the use of his work. Competition with tapes may drive record prices down. Tapes in turn may be succeeded by new and even more efficient reproduction systems at prices now unknown.

Thus, if we fix a specific rate of compensation for copyright owners, as conditions in years to come, both the record companies and the copyright owners will be returning to Congress seeking adjustments in the royalty rate they could better make themselves. When we look at the issues we have been considering on the floor of the Senate over the past few weeks, it is obvious that we have too many problems of great national concern before us to occupy ourselves, time and again, with trying to decide what is a fair payment for authors and composers to receive for the recording of their songs.

This amendment provides a flexible, fair share formula for determining the mechanical royalty that will hold up through the changes of the years. It eliminates the fixed payment in cents, and instead sets a mechanical royalty ceiling of 8% of the suggested retail price of the record. Where a record consists of more than one selection, as in the case of the standard LP, the ceiling with respect to each selection is computed on the basis of the ratio between its playing time and the total playing time of the record. Industry practice would undoubtedly develop, as it has in the past, to implement division of the royalty among the copyright proprietors.

Below this 8% ceiling, bargaining could take place, as it does today below the 2 cent ceiling. But the negotiated rate would rise and fall with the price of the recording, something it does not necessarily do today.

I support 8% as the ceiling for several reasons. In addition to its being the standard mechanical royalty on Continental Europe, it is the percentage originally suggested by the Copyright Office in its first draft of a copyright revision bill in 1964. More important, it is the percentage equivalent of the royalty level chosen by the House of Representatives in the bill passed in April, 1967. After extensive hearings, the House increased the mechanical royalty to 2½ cents per selection, on the basis of studies supplied by the record industry that showed the average long-playing record sold for $3.79 (not including excise tax) and contained twelve selections. Thus, the House concluded that on a $3.79 record, a total royalty of 30 cents, or 8%, was an equitable return to copyright owners. This amendment makes this percentage, which the House deemed a fair one, the ceiling under which bargaining will take place in the future.

The percentage mechanical royalty based on suggested retail price is not a novel concept. It is currently in use throughout continental Europe and Great Britain. Compensation based on a percentage of the suggested retail price is also the standard contractual arrangement for the recording artists and producers involved in making records; and it is found in the contracts for the musician's performance trust, the union pension funds and negotiations for original cast performance albums of musical shows. In fact, of all the groups that contribute to the making of a record (union musicians are paid by the session, but the rate is renegotiated periodically) only the copyright owners are restricted by a statutory flat payment. Thus, if record companies were to eliminate the practice of suggesting a list price, they would have to devise an alternative comparable standard of payment to fulfill these other contracts, and when this is done, the mechanical royalty could be tied to that standard.

The percentage ceiling approach protects the record companies as well as the copyright owners. If, as is often the case, a record company chooses to manufacture a budget-priced record, or if it decides to cut its prices generally, it could do so with ease, as its royalty payments would decrease as its retail price decreased. Under existing law if a company records a selection on both its low price and high price lines of records, it could be required to pay the same royalty of 2 cents per selection. Under the percentage royalty arrangement, the royalty would be lower on the lower priced record.

I recommend this change in the statutory regulation of the mechanical royalty because I have concluded that, while an increase in that rate at the present time is imperative, it would not be wise for the future to fix the rate at any given monetary level.

We have learned from bitter experience, more than once, that abuses and inequities are both inherent and inevitable in any attempt to fix prices by law, and that prices should be fixed only in situations of grave economic hardship or emergency. After a careful search of the statute books, I have been able to find only one situation in which Congress, in the absence of war emergencies, has fixed the dollars and cents fee that one private party pays another for its talents or services. That is where the relative bargaining powers of the parties is grossly unequal, as in the case of the minimum wage laws, and where there is an overriding public interest in assuring a minimum income to the recipients. There are other fields which are

affected with a public interest where the Congress has limited competition, as in the airline, communications and utilities industries, but Congress has wisely left it to administrative agencies to fix rates. The mechanical royalty falls into neither of these categories. Both the record companies and the copyright holders—authors, composers and music publishers—are economically healthy and able to bargain with each other on equal terms. Far from being monopolies, their industries are characterized by almost every attribute of free competition: there are large and growing numbers of both copyright holders and record makers; freedom of entry for all participants; intensely competitive and constantly changing forms of record distribution; and no indication of substantial economic and monopoly power.

Moreover, to make a sound judgment, it would have to spend far more time than the problem deserves. This year, at the request of the subcommittee, the Library of Congress undertook to analyze the economics of the industries involved. Its report, which ran almost 100 pages, concluded that Congress could not responsibly determine a flat rate without making an exhaustive inquiry into the financial condition of both record producers and music publishers. The suggested inquiry would have to include full disclosure of financial records, including those of subsidiaries, and a thorough analysis of the changes in the economic structure of the industries involved. Since many of the firms, especially on the publishing side, are highly diversified personal service businesses which do not keep cost accounting records, it would be lengthy, expensive and burdensome for Congress, and the companies, to try to obtain this information. With the music industry changing so dramatically, even if such information could be obtained, it would be outdated shortly after it was compiled.

While an 8% royalty ceiling would broaden the permissible range of bargaining between record makers and copyright holders, this would not necessarily lead to higher royalties. The LRS study concludes that with a higher ceiling "the actual rates charged . . . would depend upon prevailing market conditions and the relative bargaining strength of the parties involved." Moreover, the records made under the hundreds of thousands of licenses already negotiated, many of which have substantial and continuing sales, would remain at or below the 2 cent ceiling; and this fact will influence any new bargaining.

But if this flexible formula allows the negotiation of a greater return for copyright holders, the record industry is in a position to provide it. It has been one of the fastest growing and most dynamic industries in the country. Over the past ten years, increased sales and increased prices have more than doubled the annual volume of record sales, sending them over the billion dollar mark. This amendment will allow the copyright holders to share more fairly in this prosperity.

In summary, the 8% mechanical royalty ceiling would enable composers and other copyright holders to receive—without periodically returning to Congress—their fair share of a record's earnings, no more and no less, whether the economy, the value of the dollar, the price of records or audio technology change drastically for better or worse. Beneath this ceiling, the actual royalty can be negotiated between the parties in much the same way as negotiations are carried on to determine the appropriate percentage paid to recording artists and producers. Only in this way can protection be assured well into the future, for those whom the music provisions of the Copyright Bill were intended to protect—not the giant companies of the entertainment industry, but the creative composers and authors.

PRIVATE SUPPORT FOR LAW-ENFORCEMENT IMPROVEMENTS

Mr. SCOTT. Mr. President, major support for the needed improvements of the Nation's criminal justice system can be given by both private citizens and their organizations. This point was made forcefully by Charles H. Rogovin, Administrator of the Law Enforcement Assistance Administration, in a recent speech to the Criminal Laws Division at the American Bar Association's annual meeting in Dallas.

The bar, as Mr. Rogovin pointed out, already has made a noteworthy contribution with its project on minimum standards for criminal justice. But he suggested that attorneys and their bar groups might wish to consider expanding their horizons. He said, for instance, that lawyers could volunteer their services to State planning agencies set up under the LEAA program, and also could help persuade judges to take a more active role in this planning process. Another priority concern, he said, is to find fair, effective ways to reduce case backlogs that now pose such a problem in many parts of the country.

Mr. President, since the speech contained a number of valuable suggestions on how joint State-local-Federal projects could be initiated, I ask unanimous consent that it be printed in the RECORD.

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

ADDRESS BY CHARLES H. ROGOVIN, ADMINISTRATOR, LAW ENFORCEMENT ASSISTANCE ADMINISTRATION, BEFORE THE CRIMINAL LAWS DIVISION AT THE 92D ANNUAL MEETING OF THE AMERICAN BAR ASSOCIATION, DALLAS, TEX., AUGUST 12, 1969

I am pleased to be here today not only because of my general respect for the ABA, but because of your value—as professionals—to the criminal justice system. A major focus of any citizen's exposure to the so-called criminal justice system—and I shall comment on that term—is the courts, and the vehicle for this focus is the criminal bar. Accordingly it is with full appreciation of your power to affect this system that I am here today.

The Law Enforcement Assistance Administration was created by Congress in a long overdue recognition that criminal justice in its entirety is a substantial concern to the nation. Not just police; not just the courts; not just the penal institutions, but all the processes which might confront a citizen have equal importance. The very term "criminal justice system" is an innovation. Ten—or even five—years ago, the phrase might have conjured an attempt by Mr. McLuhan to classify a mysterious amalgam of separate functions. Today the term is no longer mysterious—although it is still in many areas impenetrable. For what purpose should we correct inequities in trial calendars when the parole system is unprofessional? Why should we express concern about speedy trials when the possible result of a trial—incarceration—leads to further acts of crime, rather than to rehabilitation?

It is the recognition of this unity to which LEAA was dedicated by Congress. It is equally important to emphasize that Congress saw law enforcement as primarily a local and state responsibility. That is how the LEAA program is being administered. The federal government is a meaningful partner in the reform of the nation's criminal justice system, but the bulk of the work must be done by local and state governments. This concept is supported by the program's distribution of funds. In the past fiscal year, which ended June 30, the LEAA budget was $63 million. This included $29 million in action grants, $19 million in planning grants, $6.5 million for academic assistance, $3 million for the National Institute of Law Enforcement and Criminal Justice, $3 million for FBI programs and $2.5 million for administration. Nearly all of the action and planning funds, which total $48 million, went to local and state governments.

To assess the impact the program already has made, look at the period prior to enactment of Safe Streets. Before June of 1968, there was no national strategy against crime, no unified program to improve all elements of the criminal justice system. Only one or two states had planning agencies, and their programs did not cross state lines. Within these states, there often was no significant aid to local law enforcement. City and county governments usually operated by themselves. Common criminal justice planning programs seldom existed. To make matters worse, the nation's criminal justice system has faced fund shortages for decades. In view of the fragmented national picture, what has occurred since passage of the Act is astounding. Every state created a top-level planning agency to draft plans for statewide law enforcement improvements. Each state then set to work making those plans. The same response came from Washington, D.C., Puerto Rico, and the Virgin Islands, which also are eligible for funds. All states submitted plans for their specific law enforcement improvements and initiated their action programs in the first year of LEAA operations. Thus, in a few short months, a national strategy against crime has been created. Massive and meaningful programs are underway to improve the nation's entire criminal justice system—not just in a city or state here and there, but from coast to coast and border to border. The potential of this program—for enhancing the quality of life for all Americans, for making this a safer, more just America—is enormous.

Each state sets its own priorities for action programs, but LEAA requires that each state plan be comprehensive. It must have significant projects for improvement of every part of the criminal justice system—police, courts, and corrections. Plans emphasize such things as training of police, creation of organized crime programs, community relations programs, studies to improve court procedures and reduce backlogs of cases, programs for more effective rehabilitation of adult and juvenile offenders, projects for prevention and control of juvenile delinquency, prevention and control of civil disorders, and programs for reduction of drug and alcohol abuses. Funds also are being used for equipment, police laboratories, construction of facilities, salaries, communications systems, and other programs relevant to law enforcement and criminal justice improvements.

This, then, is the broad scope of the Omnibus Crime Control and Safe Streets Act. One thing must be clear. Criminal justice is a new field. There are virtually no criminal justice experts as such. The experts must be those who are most familiar with the components of this system. *You* are the experts. *You* have the responsibility for providing guidance and ideas to your states and localities. You must provide pressure as well—not the pejorative sense but pressure in its most honored meaning: a genuine expression of interest in an ideal. How desperately you are needed might lie in one statistic alone: of the $25 million in action grants given to the states by LEAA in the past fiscal year, only about 5.5 percent of the total was earmarked for improvements in courts, prosecutions,

and defense. That, I am certain we can agree, is not enough. States set their own priorities for use of LEAA funds, but we already are urging them to devote substantially greater resources for the courts in the current fiscal year. The courts, like every other part of the nation's criminal justice system, have been starved for proper resources for decades, despite their enormous burdens. The lack of public concern has been staggering. And many experts, both in and out of the system, might also have done more. Why is there a lack of confidence?

Because in Michigan, according to its own plan it is not uncommon for persons charged with felonies to wait up to two years for their cases to be brought to trial. Because too many prosecuting attorneys must divide their time between official duties and more lucrative private practice. Because salaries are too low in some counties to attract qualified men. Because the number of judges is inadequate to handle the workload. Because the courts and prosecuting attorneys' offices—even where the prosecutor *is* an attorney—both need systematic reorganization of administrative procedures and workload management. Because in Montana, justices of the peace hold court in newspaper offices and pool rooms, while in Arizona justices of the peace and magistrates don't have to be lawyers. Starts are being made, of course. Indiana has proposed the non-political selection of judges and revision of the criminal laws. Connecticut is starting a pilot project to handle many types of misdemeanors and cases of first offenders through community service agencies instead of the courts. Missouri is beginning development of a prototype computerized docket control system for the courts to speed processing of cases for its court records now are prepared and retrieved manually under a basic system that began 137 years ago.

Most states have done a good job of pinpointing their problems and have laid the groundwork for programs to solve them. But much more remains to be done. The public must give its crucial support. The criminal justice components of state and local governments must redouble their efforts—expending both their energies and their financial resources. And, finally, we look for great contributions from the nation's lawyers—both individually and joined together in their organization. You have reservoirs of skills and knowledge that can be of immense value to all parts of the criminal justice system—but especially to the courts. In this context, the American Bar Association already has made immense strides through its Project on Minimum Standards for Criminal Justice. Two of the standards, relating to speedy trial and to pleas of guilty, were of special interest to me, for they intelligently deal with major problems now confronting courts in many parts of the country.

The standards are important for what they accomplish implicitly as well as explicitly. For too long lawyers have been ashamed of the tools of their trade. Plea bargaining has been relegated to the smoke-filled room, as far as the public is concerned. When a man pleads guilty, and the judge asks, "Have any promises been made?" woe to the defendant who replies affirmatively. We all know that guilty pleas too often do not result from pangs of conscience. The defendants know this. The public knows this. And yet a litany is repeated in courtroom after courtroom. Is it any wonder that lawyers fall into disrepute when they must counsel their clients that it is somehow shameful to repeat in open court what has theoretically been discussed already with the judge and the prosecutor. It is for these reasons that the new standards can add immeasurably to public confidence in our courts.

Another recommendation of great merit is that the court should grant a continuance only for good cause and only for as long as necessary. As anyone with court experience knows, continuance after continuance can mean a delay of up to one or two years or more before a defendant comes to trial. Sometimes delays are justified, but often they serve as a defense gambit based on the hope that the prosecution will waver or witnesses will grow tired of it all or forget or move away. Yet when persons question the bar, and express dissatisfaction, we ask why.

Proposals like these—if instituted by the Bar, if made a reality in all the states—would go far toward achieving the modernization and reform so badly needed by courts throughout the country. One difficulty, of course, is making certain that we do not falter in pursuit of our goals, that we keep at this work tenaciously until it is a reality. Another difficulty is that the courts need more than new procedures—they desperately need more manpower, larger staffs, and more efficient administrative systems. In this and the other parts of the criminal justice system, the Bar can play a major role. I know of no group related to the criminal justice system that is held in higher esteem than the Bar Association. Its good offices could be of immense influence in shaping reforms not only in the courts—but in the police and corrections components as well.

One of the difficulties faced by many states this past year has been their inability to persuade judges to serve on their state, regional, and local committees planning comprehensive criminal justice improvements. Many judges feel such participation might be a conflict of interest. But I feel that judges have an inherent interest in making certain that courts function properly. The courts, after all, will be the beneficiaries of the court improvement components of the plans. If some judges reject the invitations of state or local officials out of hand, they might lend a more willing ear to the request of Bar groups that they take an important role in this process.

Lawyers themselves, and their bar associations, might wish to consider volunteering their services to the state planning agencies—and I imagine they would be astounded at the warmth of the response. There is a special relevance for Bar groups in working to improve the entire area of prosecution and defense. It is a fact that many prosecutors' offices have neither the manpower nor the time to adequately prepare cases. For example, I have been informed recently that in New York, juvenile cases go untried because of a shortage of prosecutors. They often are so underpaid that it is impossible to retain a career staff because of the high turnover. Again, the Bar is in an enviable position to make its influence felt with legislative bodies at the state and local level in a campaign to correct such shortcomings.

Equal effort could be expended on proper defense for indigents—including a thorough strengthening of Public Defenders' offices where they exist, and creation of such offices where there are none now. It is a common sight in many courts to see a Public Defender handle 30 and more cases a day—and prosecutors, of course, must do the same. As your Association's studies already have such bargain-basement, production-line practices.

Defenders and court-appointed private counsel frequently lack even the most rudimentary staffs for investigations of cases or the backgrounds of indigent clients. Such information is vital if the defense attorneys are to be able to provide the judge with meaningful proposals for alternatives to imprisonment. Many more persons might be placed on probation, to be rehabilitated and aided by community service agencies, if accurate information and meaningful programs could be presented for a court's consideration. To again note the findings by the states, one said 58 percent of its penitentiary inmates were first offenders; another cited a survey that as many as 50 percent of its convicts need not be imprisoned at all. Sound, intelligent probation programs represent one of the great hopes for corrections reform, and judges and the Bar could play a major innovative role. Not only the offender would be aided, but his dependent wife and children as well.

In these remarks, I have stressed the role of the courts for two reasons. One, this is the area of the criminal justice system of greatest relevance to you as attorneys. But more important, the courts compose the central part of that system. If they do not function properly, then the system fails. It will do little lasting good if only police are improved, for the courts can't handle the flow of cases today—let alone double or triple the number that vastly more efficient police departments might prompt. And no matter what reforms the corrections system creates, they will not be completely relevant if the courts don't improve sentencing practices and wholeheartedly adopt intelligent alternatives to jail terms.

A magnificent opportunity now exists for thorough and lasting improvement of our criminal justice system, to make America really safe, to make it much more just. Crime is not a figment of somebody's imagination. But it takes little effort to imagine what may happen if our present opportunities for achievement are again frittered away.

COMMUNIST RULES FOR REVOLUTION

Mr. METCALF. Mr. President, today I am going to compare a document entitled "Communist Rules for Revolution" with one called "Lincoln's Ten Points."

At first glance, it appears there is little ground for comparison. "Lincoln's Ten Points" consist of maxims of which this one is typical:

> You cannot help the poor by destroying the rich.

The "Communist Rules for Revolution," on the other hand, start with this one:

> Corrupt the young, get them away from religion. Get them interested in sex. Make them superficially destroy their ruggedness.

How, then, are these documents similar? First, both are widely reprinted and distributed by extremist rightwing groups and individuals, and, occasionally, by smalltown newspapers. Second, we know that Abraham Lincoln never uttered his so-called "Ten Points" and there is strong evidence that the "Communist Rules for Revolution" are equally spurious. Third, both documents purportedly comment upon our own times in such a way as to reinforce right wing causes by fostering fear and mistrust in the United States.

On previous occasions, I reported to the Senate on the "Lincoln's Ten Points." I told the Senate that the guidelines were first associated with Lincoln in 1916 by Rev. William J. H. Boetcker, who copyrighted and printed them in 1916 as authentic Lincolnisms. Lincoln scholars and magazines articles have disassociated the maxims from Lincoln. The Republican National Committee warned that the maxims were not Lincoln's. "Do

not use them as Lincoln's words," it admonished. "Lincoln's Ten Points" appeared off and on for several years.

This is the season for the "Communist Rules for Revolution." This summer, I have received several copies of the rules, and know of several references to them in letters to my office and in rightwing publications. These are the rules, as printed and distributed by Western Voice Publishers, Englewood, Colo.:

RULES FOR REVOLUTION

On a dark night in May, 1919, two lorries rumbled across a bridge and on into the town of Dusseldorf. Among the dozen rowdy, singing "Tommies" apparently headed for a gay evening were two representatives of the Allied military intelligence. These men had traced a wave of indiscipline, mutiny, and murder among the troops to the local headquarters of a revolutionary organization established in the town.

Pretending to be drunk, they brushed by the sentries and arrested the ringleaders—a group of thirteen men and women seated at a long table.

In the course of the raid the Allied officers emptied the contents of the safe. One of the documents found in it contained a specific outline of "Rules for Bringing About a Revolution." It is reprinted here to show the strategy of materialistic revolution, and how personal attitudes and habits of living affect the affairs of nations:

"A. Corrupt the young. Get them away from religion. Get them interested in sex. Make them superficial, destroy their ruggedness.

"B. Get control of all means of publicity and thereby:

"1. Get people's minds off their government from religion. Get them interested in sex, books and plays, and other trivialities.

"2. Divide the people into hostile groups by constantly harping on controversial matters of no importance.

"3. Destroy the people's faith in their natural leaders by holding these latter up to ridicule, obloquy, and contempt.

"4. Always preach true democracy, but seize power as fast and as ruthlessly as possible.

"5. By encouraging government extravagance, destroy its credit, produce fear of inflation with rising prices and general discontent.

"6. Foment unnecessary strikes in vital industries, encourage civil disorders and foster a lenient and soft attitude on the part of government toward such disorders.

"7. By specious arguments cause the breakdown of the old moral virtues: honesty, sobriety, continence, faith in the pledged word, ruggedness.

"C. Cause the registration of all firearms on some pretext, with a view to confiscating them and leaving the population helpless."—From *New World News*, Feb. 1946.

Parenthetically, Western Voice Publishers is responsible for other contributions, such as a map showing where the publishers believed America's blacks were going to set up a Communist country in the Southern States. Western Voice Publishers also has a long record of anti-Catholic, anti-Semitic and racist publications. Its former publisher, the late Rev. Harvey H. Springer, conducted a vigorous anti-Catholic campaign against President John F. Kennedy lasting through the presidential campaign of 1960 and the term of President Kennedy. The Western Voice also published on its front page, on behalf of the investor-owned utilities, the I.O.U.'s scary, hoary advertisement that the Socialists were about to gobble up American doctors, farmers, and businesses, starting, of course, with the power companies.

In addition, I have seen the rules printed by Guardian of the Republic, a publication at Valparaiso, Ind.; the Idaho Conservative, of Nampa, Idaho; the Waterville Advance, of Waterville, Minn.; and flyers printed or distributed by the Association To Preserve Our Right To Keep and Bear Arms, Inc., of Medford, Oreg., and the Network of Patriotic Letter Writers, Pasadena, Calif.

Furthermore, in the March 1969 issue of American Opinion, the John Birch Society magazine, Gary Allen wrote in an article entitled "Sex Study: Problems, Propaganda, and Pornography":

As far back as May of 1919, Allied forces in Dusseldorf, Germany, first captured a Communist document entitled "Rules for Revolution." Number One on that list of objectives was "Corrupt the young, get them away from religion. Get them interested in sex. Make them superficial, destroy their ruggedness." Again, in the early 1950's, Florida State Attorney George A. Brautigam confirmed that "The above 'Rules for Revolution' were secured by the State Attorney's Office from a known member of the Communist Party, who acknowledged it to be still a part of the Communist program for overthrowing our Government."

I believe the spurious nature of this document will be of special interest in those communities where it is being used by opponents of sex education in the schools. One such community is Montgomery County, Md. I ask unanimous consent to insert at this point in the RECORD an article from the August 9 issue of the Washington Daily News concerning use of the phony quote. The article is headlined "Maryland Groups Gears for Sex Drive—Those Bolsheviks Knew All the Tricks."

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

THOSE BOLSHEVIKS KNEW ALL THE TRICKS: MARYLAND GROUP GEARS FOR SEX DRIVE

According to the Movement to Restore Decency, Montgomery County's new public school sex education program is just a current manifestation of a half-century-old idea.

Francis Scott, chairman of the recently created local MOTOREDE committee which he says is sponsored by the John Birch Society, believes sex education in schools is a communist conspiracy that dates back to the Bolshevik Revolution.

"Back in 1919," said Mr. Scott, "the Allied forces found 'Communist Rules for Revolution' and rule No. 1 was: 'get their (the young) minds interested in sex and trivialities, make them superficial, take their minds off their country, away from religion, and away from ruggedness.' "

Mr. Scott concludes that it is not accident that Communists are behind the "powerful conspiratorial forces that are intent on destroying all civilized values." He added "it goes without saying that they are interested in degrading the moral fiber of our children."

Is there a relationship between communists and sex education courses planned for this fall? "That's like asking 'Does the devil have anything to do with sin?' " Mr. Scott said.

Mr. Scott claims a committee membership of over 40 with the support of area doctors and businessmen who, he said, wish to remain nameless.

Other issues his committee will attempt to combat include "drug abuse, pornography, filthy language, squalid dress, lewd behavior, and disrespect for authority."

"We will in time do battle with these forces of evil on every front," promised Mr. Scott.

MOTOREDE, Mr. Scott believes, is a program whose success virtually all Americans would like to see. "But additional help from the 'silent majority' of Americans is essential, and that's what we seek."

So far, however, said Mr. Scott, the volume of mail and phone calls has not been overwhelming.

Mr. METCALF. Mr. President, it saddened me, however, to learn that the rules, as printed by the Waterville Advance, were reprinted by the school newspaper of Northfield Junior High School, Northfield, Minn., by young people who should be better advised by their teachers.

Because of my experience with "Lincoln's Ten Points" and with other phony quotations used by right-wing extremists, I began to inquire into the authenticity of the "Communist Rules for Revolution." I wrote letters to J. Edgar Hoover, Director of the Federal Bureau of Investigation; Richard Helms, Director of the Central Intelligence Agency; the Legislative Reference Service of the Library of Congress; and Senator JAMES O. EASTLAND, chairman of the Internal Security Subcommittee of the Senate Committee on the Judiciary.

The Legislative Reference Service replied:

The "Communist Rules for Revolution" have been and are currently being published by a variety of people, all of whom generally cite the same two sources of information: the alleged capture of Communist documents including the "Rules" by Allied Forces in Dusseldorf, Germany, in May, 1919, and the disclosure of the "Rules" by Florida State Attorney, George A. Brautigam (now deceased), while investigating Communists in Florida during the 1950s. Despite concerted efforts involving telephone queries and written correspondence between ourselves and a number of persons responsible for publishing the "Rules," we have been unable to verify or disprove the authenticity of either of the above sources or of the document itself.

J. Edgar Hoover replied:

I have received your letter of July 22nd, with enclosures, and appreciate the interest which prompted you to contact me. With respect to your inquiry, it is not possible for this Bureau to assist you in confirming the authenticity of the "Communist Rules for Revolution" mentioned in your communication. I regret I cannot be of help to you in this instance.

Senator EASTLAND replied:

Your letter of July 22, 1969, requested information concerning the authenticity of the so-called "Communist Rules for Revolution" reportedly captured by Allied forces in Germany in 1919.

I am enclosing for your retention excerpts of the testimony of J. Edgar Hoover before a House Subcommittee on Appropriations on April 17, 1969, when this same inquiry was posed.

The excerpt provided me by Senator EASTLAND indicates that Mr. Hoover supplied the following information to the Subcommittee on Appropriations at the request of Representative FRANK T. BOW, of Ohio:

Our files reflect this document has been rather widely distributed during the past several years, particularly by groups opposed to firearms registration.

The FBI has a copy of this "Communist Rules for Revolution" which bears the note: "The above 'Rules for Revolution' were secured by the State Attorney's office from a known member of the Communist Party who acknowledged them to be still a part of the Communist program for overthrowing our Government." This was signed by George A. Brautigam who was State Attorney, Dade County, Florida, from 1952 until 1956, and who died in 1957. Mr. Brautigam conducted hearings on communism before a Dade County grand jury in 1954; however, it has not been possible to definitely ascertain Mr. Brautigam's source for this document.

Significantly, our files reflect no other information regarding these "Rules," and, therefore, we can logically speculate that the document is spurious.

To this exchange, I would like to add one other thing for the record, and that is my suggestion that the extreme right wing in America also follows rules and one of these rules is to make maximum use of false, misleading, and fear-inspiring quotations.

REMOVAL OF AGRICULTURAL FACILITY FROM AMES, IOWA, TO LINCOLN, NEBR.

Mr. HUGHES. Mr. President, according to the news reports this morning, President Nixon castigated Congress for appropriating $1.1 billion for education beyond his budget request.

In his strongly worded statement, he made it clear that he personally is committed to cutting Government spending and that he will refuse to spend the additional funds if the ceiling on the overall budget is exceeded.

In the light of the administration's commitment to economy in Government, it seems strangely inconsistent that the U.S. Department of Agriculture is, at this very time, getting ready to move a scientific agricultural research facility from its established and logical location at Iowa State University at Ames, Iowa, to Lincoln, Nebr., the former home of Secretary Hardin. The Des Moines Register of this date contains an editorial that tells the story admirably. 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:

POLITICS OF SCIENCE

U.S. Department of Agriculture officials are considering whether to move the USDA Veterinary Biologics Division from Ames, Iowa, to Lincoln, Neb., or to some other site. They have mentioned Columbia, Mo., Ft. Collins, Colo., and Fargo, N.D. However, these last three seem not to be under serious consideration. The real choice is between Ames and Lincoln.

The apparent reason for considering a move from Ames is that facilities are inadequate there. Lincoln businessmen have offered to provide facilities for the laboratory at the former Air Force base in that city. However, Ames businessmen have offered to construct a building to USDA specifications and to "meet any offer" of facilities elsewhere. So that reason does not stand up.

Anyway, should the USDA go shopping around for the best deal local businessmen will offer to install a scientific research agency? It seems to us the government ought to select the proper location on the basis of what will serve the purposes of the agency best.

Since Agriculture Secretary Clifford Hardin was formerly chancellor of the University of Nebraska at Lincoln, questions have arisen about favoritism in the relocation of the laboratory. Why would anyone consider moving a veterinary biologics research organization away from its close association with a major veterinary college and the USDA's own animal disease laboratory—especially to a university that does not even have a veterinary college?

It does not make sense for any scientific or professional reason. And USDA officials have made no attempt to justify a move on such grounds.

If the facilities reason does not stand up, and if no scientific reason has been given, what does that leave? Politics. Nebraska Republican congressmen could claim to have "gotten something" for their state from the new Republican Administration. A corps of highly paid professional scientific workers and all that goes with a modern scientific laboratory are not to be sneezed at as a political plum.

Secretary Hardin has "taken himself out" of the decisionmaking on the proposed change. But can he? He is the official in charge of the Department, and he can hardly shuck responsibility. It is at best naive of Hardin to think he can escape charges of political favoritism by leaving the choice to his subordinates—or rather by leaving his subordinates to face the pressure of Nebraska congressmen alone.

If there are sound scientific reasons why the biologics division should be located somewhere else than Ames, USDA should make these reasons clear. Officials have given the impression that they were hurrying to get the transfer to Lincoln completed before the public woke up to what was going on, despite inquiries by Iowa Governor Robert Ray and people at Ames.

A TIE WITH THE PAST

Mr. HANSEN. Mr. President, it is easy in this day and age to give lipservice to the needs of minority groups. Many people bemoan the lot of these groups and agree, without really doing anything about it, that "something should be done."

But the people of Sheridan, Wyo., have seen the need for doing something about the needs of the Indian people and have, indeed, taken a number of positive steps to preserve their culture and call attention to the greatness of their heritage.

Not the least of the activities undertaken by the Sheridan people is the All American Indian Days celebration in early August. Each year's activities include the selection of Miss Indian America and a series of games and ceremonies which call attention to a number of interesting and significant ties to the frontier past and involve members of dozens of tribes from throughout the country.

Citizens of Sheridan deserve warm praise for their efforts over a period of years. They have been exceedingly loyal to this cause, and generous in their support. This has been a communitywide effort by dedicated and resourceful people. Theirs is a colorful and exciting addition to Wyoming's many attractions.

To indicate the scope of their undertaking, I ask unanimous consent to have printed in the RECORD some material about All American Indian Days, especially this year's sessions.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

ALL AMERICAN INDIAN DAYS HISTORY

(NOTE.—A special feature of all American Indian Days is the annual Miss (Indian) America Pageant. Girls from all over the United States and Canada, representing many tribes, compete for the title. The contestants are judged on the basis of poise, Indian characteristics, scholastic ability, and dedication to the advancement of the Indian people.)

All American Indian Days was founded by volunteers with a great idea and no money, volunteers who never gave up. Through fifteen years of trial and error, Indian and non-Indian have worked together to present a beautiful show that has done much to revive and present Indian culture and to further inter-racial friendship. The three day celebration features an Indian Arts and Crafts exhibition, historic ceremonies, dancing, Indian games, and other talent, both traditional and modern. On Sunday, a joint church service is held under the open sky, watched over by tall mountains, on ground fought over by the ancestors of today's worshippers.

The most important feature of the celebration is the National Miss Indian America Contest. It is very different from the usual beauty pageant because this girl must have so much more than beauty. She must be able to function as an ambassadress from her people to the rest of the United States and overseas as well . . . she will have to face audiences who have never seen an Indian and who will be inclined to judge an entire people by the girl they see before them. To pick up this challenge, Miss Indian America must have outstanding ability as a speaker, she must have poise, character and intelligence, plus a knowledge of and pride in her people, and a dedication to their service. She must have good health to meet the demands made on her. Miss Indian America is indeed a proud and demanding title and has been borne by young women who have done it great honor.

Before All American Indian Days began there were signs in Sheridan and other western towns reading "No Indians or dogs allowed." "No Indians wanted," and in restaurants, "No Indians served." AAID is a resounding answer to the mentality behind such signs. Since 1952, the spirit that put them there has all but vanished.

The change came in 1952 when Lucy Yellowmule, a Crow Indian girl, was chosen Queen of the Sheridan Rodeo. As a result, Howard Sinclair, a long time friend of the Indians, conceived the idea of All American Indian Days and the Miss Indian America Pageant. Opening in 1953, AAID and Miss Indian America, continued under Mr. Sinclair's direction until 1957. Then there was a years recess for reorganization made necessary for financial reasons. The show was resumed in 1959, under the direction of Dean Sage, also a dedicated man of broad vision. Both Howard and Dean are now dead, but their hopes and aspirations are being carried forward by an ever growing band of volunteers. Led by Miss Indian America, All American Indian Days is finally moving into its deserved place on the national scene.

INDIAN AID NEEDED, THOMASINE PLEADS

SHERIDAN, WYO.—Indians need better teachers and better schools on reservations if they are to improve their economic status, Miss Indian America of 1968 said Sunday.

Miss Thomasine Hill, 22, a member of the Crow Indian Reservation in Montana, said too many teachers now on reservations did

not fully understand the culture and background of the Indian child. Teachers are needed who are able to relate to Indian children, she said.

Miss Hill, whose reign as Miss Indian America ended Sunday night, also urged the federal government to develop a more realistic attitude about Indians.

The government should deal with the Indians as they are and not as the government thinks they should be, Miss Hill said.

Miss Hill, who plans to study law at the University of Oklahoma in the coming year, noted that each new Presidential Administration seems to develop a new approach toward Indian problems.

Miss Hill called on the government to "re-evaluate programs on Indian reservations." She said there now was an overlap in federal programs which resulted in money going to extra government employes instead of to Indians.

Miss Hill also criticized the protrayal of the Indian as presented by television and other communications media.

"The Indian needs to have a positive image of himself portrayed on the screen," she said. "Television could do this if it wanted to."

ALBUQUERQUE COED NAMED AS MISS INDIAN AMERICA

SHERIDAN, WYO.—Margery W. Haury, a pretty teen-ager from Albuquerque, N.M., and a descendant of four Indian tribes, Sunday was named new Miss Indian America.

The 18-year-old daughter of Mr. and Mrs. Kenneth Haury, was selected from a group of 32 young Indian girls from across the nation.

Miss Haury, whose Indian name is Nah-Kah or "Bear Woman," has Cheyenne, Arapahoe, Navajo and Sioux blood. She succeeds Miss Thomasine Hill, 22, a member of Montana's Crow Reservation, and will represent the Indian people at various functions throughout the 1969–70 year.

Miss Haury, who wore a red and black traditional Navajo costume in the final of the pageant, was employed in Albuquerque this past summer by the Bureau of Indian Affairs.

In the talent portion of the contest, she ground corn. She also plays the flute and is a member of an All-Indian women's softball team.

First runnerup in the pageant, where the selection was made on the basis of poise, talent and appearance, was Millicent Natchees, 26, of Randlett, Utah.

Kathleen Bender, a 20-year-old Chippewa from Milwaukee, was second runnerup and Shirley Harrison, 20, a Navajo from San Lorenzo, Calif., was third runnerup.

Myrna Medicine-Horse, 18, a Crow Indian from Wyola, Mont. was named Miss Congeniality.

NEED FOR A BALANCED TRANSPORTATION POLICY

Mr. TYDINGS. Mr. President, as a strong advocate of a balanced transportation policy, I was deeply disappointed that the Nixon administration has rejected a trust fund for urban mass transit so that urgently needed Federal investment in this area can match the levels of funding for highways. It does not appear that the administration is willing to commit itself to the level of investments required—so I felt I must register my strong disagreement over this failure in a letter to Secretary of Transportation Volpe.

I would like to include that letter in the RECORD, as well as the testimony that I gave in behalf of the trust fund last month before the Housing and Urban Affairs Subcommittee of the Committee on Banking and Currency. Because the administration will not move forward, I plan to reintroduce the Tydings-Bingham bill that allows cities the option of using highway trust fund money for urban mass transit. This choice is desperately needed by cities attempting to begin essential transit programs. In Baltimore, for example, an ambitious $1.7 billion program awaits adequate Federal financing. Baltimore is not willing to sit by passively, nor am I.

I ask unanimous consent that my letter to Secretary Volpe, my testimony and an editorial from this morning's Washington Post which underscores this crucial problem, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 11, 1969.

Hon. JOHN A. VOLPE,
Secretary, Department of Transportation, Washington, D.C.

DEAR MR. SECRETARY: I am deeply disappointed with President Nixon's rejection of a federal trust fund for mass transportation facilities. The recent message to Congress with an announcement of a request of a twelve-year authorization of ten billion dollars does not hide the fact that the Administration has failed to take even a halting step forward into an area that needs decisive action.

The President's message to Congress, by asking for a long-term authorization, is little more than a token commitment to aiding our hard-pressed cities. Instead of seeking a revolving trust fund that would assure adequate funding, the President is evidently satisfied to rely upon the uncertain process of yearly appropriations. With our present Pentagon spending, it is hard to believe that the amounts authorized will in fact be funded. And the authorization requests beginning with $300 million in 1970 are themselves totally inadequate for the needs of a *single* major city, not to speak of the entire nation.

Finally, the failure of this approach to helping our cities is almost assured by the Administration's offer to pay only two-thirds of funding costs rather than the 90 percent share that goes to pay for highway construction.

The critical mass transit situation is well known to all of us in the Northeast. As our city transit systems decay, their revenues decrease and our urban congestion burgeons, federal funds are still directed almost exclusively towards increased highway construction. This near-sighted imbalance in transportation investment—in 1969 $4.5 billion for highways and $175 million for mass transit—threatens of transportation chaos in the future. And President Nixon's present plan offers little hope that the federal government will begin to remedy this distortion.

We all know that any transportation system in this nation depends upon huge capital investments, investment upon the scale that only the federal government can make. This was true of the roads and canals of our infant republic funded by public monies, of the transcontinental railroads given free land from coast to coast, of the aircraft industry whose research and development is almost totally underwritten by the Defense Department, and of the subsidies directed to our merchant marine. Until the federal government moves on a large scale, the next step in transportation, one painfully overdue will not be made.

The critical situation in my own state is typical. Baltimore has begun planning a $1.7 billion rapid transit system to meet its present and future transportation needs in an efficient, modern manner. Now the prospect of beginning the long and difficult construction phase will be delayed because the hope of adequate federal funding remains so dim. And that is why I join Mayor D'Alesandro in expressing my disappointment today. It will be impossible to move into the construction phase and have localities raise funds until our national commitment is made unmistakeably clear.

Those of us who have attempted to initiate change in our federal transportation policy—or non-policy—can only be deeply discouraged now. I had written you earlier this year encouraging a move towards a trust fund and offering to help organize legislators in support of this endeavor. I had the opportunity to testify on behalf of Senator Williams' proposal for a trust fund this summer. Yet, it seems as if this beginning movement in Congress towards a realistic balance in our transportation policies will not receive any cooperation from the Administration.

I hope this setback for an efficient and realistic transportation policy will be temporary.

Sincerely,

JOSEPH D. TYDINGS.

TESTIMONY OF U.S. SENATOR JOSEPH D. TYDINGS, JULY 23, 1969

Mr. Chairman, it is a privilege for me to appear here this morning to testify on behalf of substantially increased federal support for local efforts all across America to provide fast, economical and convenient transportation facilities in our cities and towns. Adequate federal support for mass transit facilities is absolutely vital to cities, such as Baltimore in my own state, now undertaking construction of mass transportation facilities.

I congratulate you upon your imaginative and forward-looking proposal to create a federal trust fund financed out of existing auto excise taxes to assist in the creation of mass transportation facilities. Your leadership in this field is well-known and has been vital to the development of even the limited federal mass transit assistance program we have today.

We who have been associated with the progress made so far to provide a decent level of federal support for mass transit are painfully aware of the enormous imbalance which exists today in the allocation of our national mass transportation resources. Of the more than 5 billion dollars a year being spent on urban and intercity transportation today, only 3 percent goes for mass transportation. Seventy percent goes to highways. Last year the federal government spent 160 million dollars in support of urban mass transit compared to more than 4 billion dollars on roads.

But the challenge in urban transportation this country faces is not a contest between highways and mass transit.

We need both.

We need balance.

Although I have been a sponsor of legislation to create more latitude for state and local governments in spending federal trust fund moneys, so that a portion of those funds could be spent according to local option on mass transit systems, I fully recognize the continuing need for improvements and additions to our national highway system.

Mass transit and highway must complement, not compete with, each other.

Just as mass transit systems obviously cannot meet many of the commercial and commuter transportation needs of our cities, the traffic jam strangling most major cities today graphically demonstrates that highways cannot meet all these needs either.

A balanced transportation system must contain an appropriate proportion of highways and mass transportation facilities. Regrettably, however, there has been no balance in our national transportation policy. The federal government has never yet faced

its responsibility to provide adequate resources to states and local governments to permit the construction of subways, bus systems, or any of the many new forms of urban mass transportation available to cities today.

Sadly, our nation, among the industrialized nations of the free world, lags far behind in providing its people with alternatives to the automobile in urban areas. Our exclusively highway-centered transportation resource allocation has condemned millions of Americans to wasting substantial portions of their lives sweltering in highway congestion just trying to get to work in the morning or back home at night. It has cost employers untold millions of hours of lost work time as their employees become embroiled in unexpected traffic jams or lose efficiency as the inevitable result of battling hours of traffic congestion.

The legislation you have proposed has my hearty endorsement. It is a welcome ray of hope to the people who live in cities. It is an indication that the federal government at long last will meet its responsibilities to help alleviate the traffic crisis and provide a balanced transportation system.

By tapping existing auto excise revenues to fund the mass transportation trust fund, your proposal meets the mass transit need without any increase in taxation.

I must express my disappointment, however, that the Administration has not seen fit to follow through on its campaign pledge to meet the critical urban transportation crisis. Four months ago, I wrote Secretary of Transportation Volpe urging him to propose a trust fund such as that in the legislation you have introduced. In that letter I offered not only to support such legislation, should the Administration propose it, but also to help organize concerned legislators in both houses of Congress to insure passage of such a bill.

I regret that many months later, no mass transportation bill has been forthcoming from the Administration. I renew my offer to the Administration and certainly to you, Mr. Chairman, to help in any way I can to insure the creation of such a trust fund.

This past weekend our nation thrilled to the truly incredible feat of transporting men 277 thousand miles to the surface of the moon. This extraordinary achievement in the history of mankind was possible only because our government made a rational, calculated decision and then supported it with the resources necessary to the task.

A similar decision must be made in the area of mass transit. A nation which has put men on the moon can certainly create the means to get them downtown.

As a matter of national policy, deserving of the highest priority, we must now, before it is too late, decide to provide modern mass transit systems and then back this decision with the financial and technical resources necessary to do the job. Your bill is a major step in doing this.

I congratulate you on your initiative and I urge you to pursue the legislation vigorously.

A Timid Approach to Transit Problem

President Nixon's message to Congress on urban mass transit spells out a program that is at its best a parsimonious approach to a major problem and at its worst a promise that may not be fulfilled. Mr. Nixon has recognized one of the pressing needs of our time—a method of moving people into and through the major cities by something other than the automobile—but his program holds out little real hope that this need will ever be met.

The President asked Congress for only $3.1 billion in the next five years to get new subway and other mass transit systems under way. The paltry nature of this amount rests in the simple fact that it is not enough to build decent subway systems in even two cities and that it is less than the federal government will spend on highways, not in the next five years but in the next year alone.

There are, of course, budgetary problems which operate to cut back the federal funds available for the fight to save cities from becoming completely uninhabitable. But the country must make a decision. The billions of dollars turned into concrete strips in each of the last 15 years have produced the greatest highway system in the world. The cities have been tied together, and the suburbs linked to downtown areas, in a way that always entices and sometimes compels people to travel by automobile. The autos are devouring the cities and the choice is to let them continue—jamming the streets, polluting the air, demanding more land for parking lots and more highways—or to provide alternative transit systems. A failure to do the latter is a choice to do the former and that is close to what Mr. Nixon's transit proposal really is. A total of $300 million next year, $3.1 billion in the next five years, and $10 billion in the next 10 years won't come near providing feasible alternatives.

The highway program has been funded consistently at a high level (approximately $4.5 billion this year) because of the trust fund established to finance it. Tax money accumulates in that fund and can be spent on nothing else. This same approach, urged on Mr. Nixon by the mayors of most cities and many congressmen for urban transit has been rejected, apparently because the economists and the budgeteers do not approve of it. Their approach is to persuade Congress to authorize the spending of $10 billion over 10 years and then to go back to Capitol Hill every two years to get the actual money to spend. It is here that the Nixon program possesses the potential of becoming a sham. The states have been able to schedule highway construction years in advance because they know that federal money will be available to pay for it. It may be that the three-year contractual period Mr. Nixon proposes will be sufficient to allow subway planners to do likewise. But in light of the experience of the District of Columbia in getting subway appropriations (as contrasted with the original authorization) and of the housing program in getting the money needed to fulfill the promise of last year's Housing Act, it is well to regard Mr. Nixon's transit program with a healthy degree of skepticism.

A NEW APPROACH TO DETER CRIME

Mr. WILLIAMS of New Jersey. Mr. President, every day we encounter a report of some new criminal trend or statistic. Crime has become a thorn in our freedom, a razor to our growth. It must come to a halt. We must find new ways to attack the problem.

Crime cannot be solved by imprisonment alone. Experts recently told a Senate subcommittee that U.S. jails are overcrowded and understaffed; they often turn offenders into hardened criminals and subject them to abnormal and perverted experiences. Our prisons have failed to contribute to a workable solution; we must create new approaches.

The Department of Labor in its funding of the Vera Institute of Justice in New York City has made a creative and profound contribution to this problem through its experimental and demonstration authority under the Manpower Development and Training Act. This is a sophisticated program designed to rehabilitate young offenders by keeping them out of jail and into jobs in lieu of possible incarceration. The defendants do not have a free ride or an acquittal. All participants remain under the supervision of the institute and those who do not show improvement are subject to the original criminal charge.

Project Crossroads, which is also funded by the Labor Department, is a similar program in our Nation's Capital. This, too, attempts to test the proposition that young people accused of criminal offenses are less likely to repeat their alleged antisocial behavior if they can develop an economic stake in the community before they become committed to a lifetime of criminal activity.

I strongly support the proposition that manpower development and training services provides an excellent opportunity to deter further criminal behavior.

Mr. President, I ask unanimous consent that the article, entitled "Vera to the Rescue," written by Ralph Keyes, and published in Newsday of March 15 be printed in the RECORD.

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

Vera to the Rescue

(By Ralph Keyes)

Eighteen years old, slight, light-complexioned, Riff is a New York street product who last spring dropped out of high school and two months later was arrested for burglary. "It really kind of shook me," he recalls. "I didn't know what was going on."

Riff was put in a cell to await trial. Jails aren't built for comfort and he still winces in recalling his confinement. Small, dirty, crowded with older criminals—"The place was disgusting," Riff says with a shudder.

The case could have been classic. High school dropout with low reading ability, and no skills get sent to prison where, if he isn't kicked around too much, he gets wise and learns a better hustle which he'll need because "decent" people won't want to have too much to do with him.

But Riff lucked out. He didn't have to face this. About the time of his arrest, the Vera Institute of Justice was starting its Manhattan Court Employment Project and Riff was one of the first invited to join. A Vera counselor explained to Riff that if he agreed to go to work, or back to school, they would ask the district attorney and judge to postpone his trial. As a first offender who wasn't an addict and hadn't been charged with too serious a crime, Riff's prospects looked good. If he kept clean over three months' time and demonstrated progress, Vera would ask the court to dismiss the charges entirely.

Riff quickly consented. "I really wanted to do it," he says, insisting that "it wasn't just to get off. I had been out of school for two months and didn't have any cash. It was a lucky break."

And he has been exceptionally lucky. Today, almost a year after his arrest, Riff is working and attending night school. Charges against him were dismissed months ago.

Many arrestees like Riff are getting similar breaks in Vera's year-old Manhattan project. The Vera Institute is a respected legal reform outfit that pioneered bail reform and is now diversifying. More than two years ago it decided to tackle recidivism (the repeated confinement of ex-convicts), a social cancer of increasing public concern. Federal Bureau of Prisons Director Myril Alexander calls imprisonment "a failure" from the standpoint of both punishment and rehabilitation, and argues, "Simply removing an offender to an institution as punishment often only compounds the problem of reintegrating him into the community as a law-abiding citizen." Recent hearings held by the Sen-

ate juvenile delinquency subcommittee produced gruesome testimony about frequent homosexual assaults, beatings and murder in the nation's prisons. "We do better with our animals than we do with a lot of human beings," charges Sen. Thomas Dodd (D-Conn.), the subcommittee chairman.

Milton Luger, director of the New York State Division for Youth, testified, "It would probably be better for all concerned if young delinquents were not detected, apprehended or institutionalized. Too many of them get worse in our care."

As an alternative, Vera proposed a pilot program of preventive nondetention for the Manhattan courts. The program was jointly announced in May, 1967, by New York City Mayor Lindsay and Sen. Robert F. Kennedy, both of whom lent assistance by enlisting the cooperation of governmental agencies. Here's how the program, which got under way in February, 1968, works:

Certain defendants are selected at arraignment and invited to enter the employment project for a job or training, and counseling. With the consent of the district attorney, the judge is asked to postpone the trial of Vera participants for three months.

This is not an acquittal, or a free ride. All participants remain under Vera's supervision and are expected to show satisfactory adjustment. Those who don't show signs of progress or get rearrested generally are returned to the courts for prosecution. Those who seem to be making it get a Vera recommendation to the court for dismissal of charges.

Rip Harris was the Vera counselor assigned to Riff Harris, who is 28, black and moustached, comes on different from the average counselor. "I thought he was a pretty groovy guy," recalls Riff. "It was mostly the way he talked and how quickly he could pick up things that were said around him."

Rip is part of a Vera improvisation—the hiring of former prisoners as project representatives ("reps") to do most of the counseling. "As soon as a guy hits the office, man," says Pedro Riera, an intense, 22-year-old father of three who served almost four years in the penitentiary, "we tell him all the reps are ex-cons and no one's a rat who's gonna talk on you. You can talk in confidence, you dig, man? Our credibility is 100 per cent." Big Bob McGowan, a 40-year-old rep whose easy laugh belies the 19 years he spent in prison, adds, "Though in most cases participants have a built-in resistance to authority, the moment you tell them that you've been through it they identify."

Always on call to participants, Vera's 10 reps often spend long hours after work helping with an overdose case, settling family fights, or just being a friend. Dirk VanLierop, a 35-year-old, goatteed urban buccaneer, was recently best man at the wedding of a former participant in the program. "Dirk's boss," says one of his counselees. "He's like me 30 years from now. You can't look at him and say, 'What do you know about my problem?' He talks to you like he was in the same situation."

Harris developed that sort of relationship with Riff. "I liked him," he recalls of his young charge. "He seemed like me in a lot of ways."

The rep first introduced Riff to a Vera career developer—Mike Carpenter. Riff told Carpenter that his goal was to be an artist. He was 17, a school dropout with no training in art and burglary charges hanging over his head, and he wanted to be an artist.

"He was anxious to go far fast but was not too interested in school," Carpenter recalls. Though career developers try as much as possible to meet the participants' aspirations—even getting on the phone to dig up the right job when one doesn't exist—this art thing was a little too much. Carpenter got Riff an interview to see about training as a cook. That didn't work out and a week later Mike sent Riff to a large Manhattan firm to see about becoming a mail clerk—with the chance to move up. Riff got the job, at $70 a week. It wasn't great, it wasn't art, but it was hope.

Vera has found that employment per se doesn't mean a whole lot to most participants. The street offers any number of ways to hustle that pay better than the average job. (Vera hasn't even attempted to take on prostitutes.) For this reason, the project has had to hustle itself to keep young men in the program and progressing.

Immediate handling of any problem—housing, lack of money, personal hang-ups—is one tool. Rapid job placement in work with a future is another. An attractive clubhouse where participants can hang out has helped. Why go to all this trouble? "Give a guy a stake in the community and he won't commit crimes," explains Al Gellar, one of two counseling supervisors. "This means a good job, a rise in self-esteem. If a guy is really feeling good about himself, he ain't gonna recidivate."

Riff quickly ran into problems on his new job. He was late a lot and Harris had to back him up, talk to him, cajole his employers. "He could well have been fired," Harris says, "but his supervisor took a liking to him."

"I had never done anything like this before," Riff says of his adjustment difficulties. "I used to go down and discuss these little problems because I didn't know how to handle them—little things like how to deal with people and handle myself."

Riff started attending meetings with other participants. Vera requires such group counseling and considers this essential to adjustment. "We've come to look upon the group as perhaps our most important vehicle," says Ray Robinson, the other counseling supervisor. "Group is not a luxury. It's a *must*."

In the groups, generally led by reps, participants are encouraged to bring out their innermost hang-ups and lay them on the table for all to dissect.

Interaction isn't necessarily gentle. To a defensive young member who refused to answer others' questions, Pedro Riera said, "When you're tired of this program you let me know and I'll surely terminate you man, because you're not a tough guy to me, and when you portray that man, you're showing me that you don't give a damn about this program, and you're not slick to me. When you get yourself together, that's when I'll smile with you."

"How old are you?" asked an older group member.

"Seventeen."

"I believe you just about that damn age. Why don't you come up here with us?"

"Why don't you come down here with me?"

"Well I'm down. Why you think I'm here? I'm trying to get back up."

(Pedro): "You're not an astronaut man, you know you gotta come down to earth and deal with facts, be more realistic and do something for yourself, cause walking around with a chip on your shoulder isn't gonna get you anywhere."

And the groups can work. Attendance, supposedly mandatory but hard to enforce, is consistently high. "It was really nice," says Riff of his group. "Hearing other people speak about things, really wanting to get themselves together, talking about problems, getting involved with each other. I found out a lot of things that I haven't seen before."

Ninety days after he entered the program, Riff's satisfactory job and personal record resulted in the charges against him being dismissed by the judge, with the consent of the district attorney. Such mutual consent is necessary legally and Vera has gone out of its way to keep up good relations with all departments concerned. "These people have been very diplomatic," says Assistant District Attorney Joseph Stone, head of the Criminal Courts Bureau. Though he emphasizes that the district attorney's office does not always go along with Vera recommendations, on the whole, says Stone, "we think it's a very worthwhile experiment, a real attempt to rehabilitate people who get in trouble instead of putting them through the whole legal process, giving them a record."

Not all are so happy with this approach to criminology. One recent victim of a crime allegedly committed by a Vera participant vehemently protested the accused's being "let off." Stone explained to him that crimes are legally committed not against people but against the State of New York. "While the victim of a crime should be consulted and advised, in the end it's up to us," Stone said. "In this case we explained this to the man, and later he sent us a letter saying that he understood so long as something was being done."

The courts generally have proved cooperative. Judge Arthur Braun, who has never refused a district attorney-backed Vera request to postpone or dismiss charges, calls the Vera approach "one effective way of dealing with a situation where incarceration is the only alternative." His colleague, Judge Dennis Edwards, concurs, terming the project "within the concept of a preventive approach."

Even the police, not always receptive to Vera's philosophy, work along with the project. In one instance, a patrolman fought against Vera's getting a man he had just arrested, then three weeks later showed up to ask how another arrestee might be admitted to the program. He just felt this one would benefit where the other wouldn't.

In its year of operation, Vera has worked with about 500 persons and has recommended and been granted charge dismissals in 36 per cent of the cases. This went up to 41 per cent for October-November, 1968. The figures are conservative, and many people whose charges weren't dismissed hold jobs and stay in touch with the program.

Drug users have proved a major problem. Vera eliminates identifiable addicts at the outset, yet still finds that about 30 per cent of their participants turn out to have a serious drug problem. For nonaddicts, the dismissal rate has been 49 per cent. For addicts, it is a dismal 11 per cent .

Though this overall success rate may not appear earthshaking, the Labor Department's liaison with Vera, Joseph Ehrenberg, points out that most hard-core employment programs, even without the problem of criminal charges, generally succeed with only 25 to 30 per cent of their populations. The Labor Department has re-funded Vera's program, which Ehrenberg calls it "one of the better demonstration projects we have going." He adds: "It has sound leadership, authentic people who reach out rather than reach in."

Ehrenberg's major concern is that Vera as yet tapped only 1 per cent of New York City's criminal population. "The enormity of the problem is staggering," he says. And city arrests are up 14.9 per cent this year, with the sharpest rise occurring among 16-20-year-olds. Judge Edwards believes that "the whole Vera concept today could be applied to young people all over." Judge Braun calls it "a challenge to our whole system of penology."

Project Director Henry Aronson concurs. A tough-talking, 34-year-old Yale Law School product, Aronson spent three years practicing civil rights law in Mississippi before coming north and taking on Vera's manpower project. He calls it "a very radical tinkering with the criminal process." Aronson elaborates: "We're saying that court should be reserved for very serious cases and our sort of thing should be used for those cases which are not capital or violent and where the guy seems to have some chance of making it. You should start rehabilitating at the earliest stages. The Criminal Court is always viewed as a 'bad' thing. Why not offer its services to people who by their very involve-

ment with the law are saying they've got problems?"

Vera's program is intended as a model. The institute has deliberately kept costs down (now below $700 per participant) and consistently has attempted to exploit existing resources such as welfare, commerce, schools and training programs. The club-house was outfitted by donated labor and materials. Research has been done every step of the way, and exhaustive statistics are now being computerized.

The Labor Department's Ehrenberg, who is generally enthusiastic about the project, expresses confidence that it will prove a model and points to the effects he feels it is already having: loosening of judicial attitudes toward crime and punishment; improving employment prospects for accused criminals; and, through the reps' example, opening up the whole social service field to greater use of ex-offenders.

Riff is today an artist. He mastered the mail room so thoroughly that his employers promoted him to the commercial art department to start from scratch. This month's company magazine has a college cover designed by Riff. He spent days in an art museum putting together the designs needed—"technically a rather difficult thing to do," says his supervisor. Last month Riff got a raise—to $325 a month. And he has returned to night school to get a diploma, after which he plans to take some college courses at his employer's expense. "I really don't know what would have happened if I hadn't met Vera," says Riff. And Bob McGowan, who entered prison at 16 to stay till 35, comments wistfully, "I should have had it myself when I was young and fooling around."

BUSINESSMEN ARE CONCERNED TOO

Mr. HATFIELD. Mr. President, the distinguished Senator from New York (Mr. GOODELL) and I have noted that a group of successful and highly respected businessmen from various parts of the country have formed an organization called the Businessmen's Educational Fund. These men believe that what is good for America is good for business, rather than vice versa. They believe that private interests and public issues no longer can be separated and that the most pressing public issue today is reassessing and reexamining our national values, goals, and priorities.

The national chairman and the treasurer of the Businessmen's Educational Fund have just written a letter commending Fortune magazine for its August 1 editorial, which calls for a sharp reduction in military spending as a first step toward redirecting our national energies and resources.

It is with much optimism at the interest and concern expressed by these businessmen in the course of the Nation that Senator GOODELL and I ask unanimous consent that the Fortune editorial and the letter from the Businessmen's Educational Fund be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

IT IS TIME TO AUDIT THE DEFENSE DEPARTMENT

The U.S. is in the grip of a costly, escalating pattern of military expenditure that could well keep rising even after Vietnam. As reported in a special defense section of this issue, evidence multiplies that this expenditure has come to live a life of its own—neither soundly based on our commitments nor, indeed, properly responding to the very real potential of the U.S.S.R. Appropriately, the Nixon Administration has begun a thoroughgoing review of the threats facing the U.S. and the defense structure needed to cope with them. The reassessment is urgently needed.

At staggering cost, the military has repeatedly bought weapons and deployed forces in a way that have added only marginally to national security. Moreover, in the procurement of new weapons, both the military and its corporate suppliers have been guilty of wasteful practices and flagrantly disingenuous cost estimates. "The Case for Cutting Defense Spending" suggests that in the aftermath of the Vietnam war the defense budget could immediately be cut by more than 20 percent, to about $62 billion, without compromising either the nation's security or its present commitments.

The Soviet Union, realizing one of its most compelling dreams, has now built a military machine roughly equal in power to that of the U.S. In the absence of arms-limitation agreements, prudence clearly requires that we maintain a strategic force amply capable of countering this adversary, whose military growth rate is so breathtaking. But prudence requires as well that we re-examine a conventional force structure based on obsolete premises. Some of the basic tenets of U.S. defense policy have been carried over without systematic analysis since the late 1940's, a time when allies were poor and weak and potential enemies were sternly monolithic. The most expensive legacy from the past is the assumption, now quite dubious, that the U.S. needs what is known as a "two-plus capability"—a force structure that can be quicky expanded to fight a major conventional land war in Europe, another in Asia, and a limited war in the Americas, all at the same time. Many analysts believe that we can safely move back toward the "one-plus capability" that prevailed in the 1950's.

THE NARROWING OUTLOOK

For a long time, and particularly since the departure of the Eisenhower Administration, few of the outside checks and balances that constrain other federal agencies have been applied to the military establishment. In most matters, neither the President, his Budget Bureau, nor Congress was disposed to challenge policies agreed to by the armed services and the Secretary of Defense. Today's military leaders have come to senior rank expecting a level of financial support that would have been the envy of generations of predecessors.

To be sure, the Defense Department staff, particularly during Robert McNamara's tenure as Secretary, projected an aura of iron control over the military. Civilians vetoed manned bombers, nuclear carriers, and other projects requested by the services, and closed hundreds of superfluous military facilities. The Secretary boasted annually of deep cuts made in the budget requests of the individual services. While McNamara sometimes interposed his judgment with disappointing and expensive results, much of the civilian auditing surely was to the good. But it is wrong to conclude that a vigilant internal review at the Pentagon constituted ample control over the military. Allowing those responsible for day-to-day operations such a decisive say in their own operational scope and budget level has been no more justifiable at Defense than it would be anywhere else in the government. However competent the civilians who run the Pentagon, their heavy responsibilities and the intensive pressures of their jobs inevitably narrow their outlook. As a former Budget Bureau official recalls, "At first, McNamara was a real tough budget director over the military, but eventually he and his people couldn't be so tough. It got to be *their* systems they were defending and arguing for."

THE COMPLEX "COMFLEX"

In Congress, through the years, a core of knowledgeable legislators have been deeply involved with defense matters, mostly through the Armed Services and Appropriations committees of both houses. Until the last couple of years, these Congressmen were generally in accord with the point of view of the military. On occasion, some of them actively supported the services against the Pentagon civilians when the two groups disagreed, as in the long controversy over the TFX-F-111 fighter-bomber. But they practically never overruled any *concerned* recommendation of the services and the Secretary.

Searching for a villain to account for the long absence of adequate control, a lot of Congressmen and others have lately fastened their attention on the "military-industrial complex." It is true that the interplay between the services and their suppliers generates pressures to maintain high levels of defense spending, almost irrespective of the external threat. The natural desire of military men to have ever more sophisticated and expensive weaponry coincides with the desire of contractors to supply it.

This can lead to excesses; as one former Pentagon official observes, "The contractors' engineers and the government's engineers get all excited and oversell each other" But there is little reason to question the sincerity of either side. The overwhelming majority of both defense-industry executives and military officers hold strongly to a view of the world in which expensive weaponry is essential to security.

TOO MUCH TOO SOON

The problems posed by big weapons systems make some such symbiotic relationship almost imperative. As NASA has learned in the Apollo project, large, technically adventurous undertakings demand the closest kind of interaction between buyer and seller.

Still, procedures at all levels of the decision-making and procurement processes need tightening. Fortunately, the biggest cause of unnecessary defense spending is not (as some congressional critics seem to think) sloppy management or skulduggery in the defense industry; if it were, the problem of cutting spending would be much more diffuse and impervious to solution than it is. Contractors sometimes do misbehave, of course. But they are already heavily policed by the Pentagon and the General Accounting Office. Moreover, under the fixed-price and incentive contracts favored by McNamara, penalties for egregiously bad management have been toughened. Many lax practices can be traced to the military's frequent tendency to emphasize performance and fast delivery of weapons over cost. More stringent budgets could dramatically change that emphasis.

Larger savings can be made by rationalizing the Pentagon's basic procurement practices and philosophies. As Deputy Secretary of Defense David Packard puts it, "We are designing and building weapons that are too complex, and therefore too costly. We further compound the problem by trying to produce hardware before it is fully developed." A panel headed by Gilbert W. Fitzhugh, chairman and chief executive officer of Metropolitan Life, is studying the Pentagon's management machinery, and will report next year. Meanwhile the Defense Department is already introducing a number of promising techniques to discourage the practices Packard has identified. Among them: tying the start of production to the achievement of research and development "milestones," relying more on prototypes of new equipment

instead of paper plans, and requiring the services to save money on one project if they add to the costs of another.

THE WILL TO COUNTERVAIL

Welcome as this ferment inside the Pentagon is, it does not change the urgent need for closer outside supervision. The defense establishment of itself can never provide the proper sense of balance between military needs and other priorities. But given the will to do so, the governmental structure as a whole is perfectly capable of countervailing the momentum of any "complex."

There are some promising signs. The new Budget Director, Robert Mayo, has moved to strengthen his bureau's powers over the defense budget. And the Administration's broad review of defense policy should enable the White House to provide more coherent strategic guidance than was offered under Presidents Kennedy and Johnson.

In Congress, skepticism about defense spending is now more pervasive than it has been at any time since the onset of the cold war. The frustrations of Vietnam and accelerating inflation, and the attention drawn to unmet domestic needs by urban disorders, have all contributed to the change. An early sign of the new legislative mood was Senator Richard Russell's successful assault in 1967 on the Navy's proposal to build fast-deployment logistics ships. Russell, the most respected advocate of the military on Capitol Hill, argued that FDL ships would increase the tendency of the armed forces to intervene abroad by making them more capable of intervention. Since that vote, Congress has been paying more and more critical attention to other defense questions, ranging from broad matters of strategy, as in the debate over the ABM, to the shortcomings of the weapon-procurement process.

Congressional pressure has already helped kill or sidetrack several major weapon projects, including the Army's Cheyenne helicopter and the Air Force's manned orbiting laboratory, and the Senate again this year turned down FDL ships. Inevitably, as the article on Lockheed Aircraft beginning on page 76 suggests, some of the legislative criticism has been unfair and immoderate. But the desirability of a broad role for Congress as a countervailing force to the defense establishment can no longer be in doubt.

REDEFINING THE NEED TO KNOW

Congress does need to supplement indignation with much better information than it has been getting on military questions. Senator John Stennis' decision to have the staff of his Armed Services Committee monitor the progress of major weapon programs is a step in the right direction. In addition, Congress ought to hold exhaustive hearings each year on the premises and strategy underlying the defense budget. These hearings should regularly test even the most fundamental assumptions about the nature of the external threat, and should critically examine the justifications not only for proposed new programs but also for continuing existing ones.

Furthermore, Congress needs its own permanent staff of systems analysts and others capable of assessing weapon programs and basic strategies. The staff, which should be responsible only to Congress, should file periodic reports, including recommendations for legislative action, and should be available for special assignments. These might include reviewing the Pentagon's contracting decisions on major systems and analyzing the efficiency with which big contracts are carried out. Perhaps some of this work could be done by outside organizations such as the Brookings Institution. Whatever form the new staff takes, it needs to have access on a confidential basis to all Pentagon data, including classified material. At present, legislators are hampered in investigating defense matters because their security clearance is on a "need to know" basis—with the need determined solely by the Defense Department.

In redefining the goals of the military and its place in the governmental structure and in society, Congress and the Administration have a chance to exert a profoundly constructive influence on the character of American life in the 1970's. They should seize the opportunity.

THE BUSINESSMEN'S
EDUCATIONAL FUND,
August 8, 1969.

FORTUNE,
New York, N.Y.

TO THE EDITORS: "It's Time To Audit the Defense Department" and related articles (August 1, 1969, *Fortune* are an exemplary blend of journalism, research, and public service. If all American businessmen acted on your judicious advice, the nation would quickly be assured of a brighter and more rational future.

Businessmen live with the realities of limited resources and the need to choose between alternatives in allocating these resources. Businessmen understand the high and often fatal costs of pursuing obsolete policies. The harsh mandates of the marketplace compel us to be objective, flexible, change-minded. When we deceive ourselves into believing our policies or products are better than they are, competitive reality rapidly and painfully sets us straight.

Until now there has been no effective check on the allocation of resources for military purposes. Your editorial heralds the appearance at last of such a check—a rallying of business opinion against waste and arrogance.

We are, as you point out, deploying troops and resources in many nations "like the Twentieth Century equivalent of the Roman legions." But unlike the Romans, we also pay other nations for the privilege of defending them. Such policies, together with continuation of the two-plus capability, add up to what former Marine Corps Commandant General David M. Shoup calls the "new American militarism" rather than legitimate "defense." The same is true of what you call "gold-plating" of new weapons systems. When Americans, and particularly Members of Congress, begin to distinguish between "defense" and "military" financial requests, a long step toward a sane military policy will have been taken.

Despite the belief in some areas of the Pentagon to the contrary, our resources are not limitless. Ever-expanding military budgets are draining us, weakening our currency, impairing productivity and inhibiting the solution of serious domestic problems. Equating national security with military overkill is an expensive mistake which must be corrected.

We must redefine national security. We have got to put a stop to the endless game of military leapfrog so relished by Russian and American hardliners. Businessmen can help achieve these objectives by joining *Fortune* in speaking out for reasonable cuts in military spending. They can act, as responsible members of the business community, to counterbalance the powerful constituencies which press for escalation of military expenditures.

The motivations for American businessmen to form such a counterconstituency are apparent. Your editorial touched most of them. Private interest can no longer be separated from public issues. The urgent public issue is the redirection of national goals and priorities reflected in a reallocation of public resources. A reduction of military expenditures on the scale recommended by *Fortune* is the essential preliminary to everything else.

American businessmen will serve their own interests and those of their country in speaking out in support of such reductions and in stressing the important distinction between legitimate "defense" and excessive "military" spending.

Sincerely,
HAROLD WILLENS,
Factory Equipment Supply Corp.,
Los Angeles, Calif.
J. SINCLAIR ARMSTRONG,
United States Trust Company,
New York, N.Y.

(NOTE.—Mr. Willens is National Chairman and Mr. Armstrong is Treasurer of the Businessmen's Educational Fund.)

ENVIRONMENTAL QUALITY: PESTICIDES IN OUR LAKES

Mr. TYDINGS. Mr. President, on July 31, I introduced a bill designed to protect our people and ecological system from the growing accumulation of toxic residues in our environment stemming from the widespread use of pesticides.

The bill in part places a 4-year moratorium on the use of four of the more powerful pesticides, DDT, dieldrin, aldrin, and endrin.

DDT, of course, is perhaps the best known pesticide. Yet it is also one of the most persistent and thus has raised considerable concern among scientists and conservationists alike, both here in this Nation and abroad. Denmark, Sweden and Hungary have banned its use. So have Michigan and Arizona.

Increasing public alarm over the deterioration of the quality of our environment has necessitated strong action on the part of public officials. Normal types of air and water pollution have been recognized and a start toward their abatement has begun. Yet insufficient action has been taken regarding pesticides. Their toxic residues poison our soils and waterways, yet the Federal Government takes small strides when giant steps are required.

One example of a body of water that has been polluted by DDT is Lake Michigan. The impact of the pesticide on the lake as well as a brief but good discussion of the DDT problem is found in the article entitled "Our Point of View: DDT Threatens You," written by Ed Chaney, and published in the August–September issue of National Wildlife magazine. It is of interest to all 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:

OUR POINT OF VIEW—DDT THREATENS YOU
(By Ed Chaney)

Thousands of tons of DDT have been ladled onto lands surrounding Lake Michigan over the past 20 years to combat real, and sometimes imaginary threats from a variety of creepy crawlies.

This perennial application contains poison that moves freely from place to place and retains its toxicity for a guess-timated half century or more. Yet it has become an accepted method for dealing with pests. And over the years—via wind, water and soil—DDT has washed into Lake Michigan from farms, orchards, mosquito swamps, elm-lined streets, flower beds and even from moth-proofing by dry cleaners.

Occasionally, someone would wonder at the scarcity of robins after the community elms were doused with DDT to fight Dutch elm disease. Once in a while a few unexplainably dead fish would appear in a nearby creek. And sometimes an article claiming DDT was eating the livers out of eagles and ospreys would turn up on the back page of our paper.

"SILENT SPRING" SILENCED

But compared to the commotion over the surtax, the ABM and getting Johnny ready for graduation, these isolated incidents seemed of little concern to most people. Dr. George Mehren, former Assistant Secretary of Agriculture, summed up the tenor of the times in a statement to a congressional committee in 1968, ". . . the hysteria associated with 'Silent Spring' has effectively subsided."

But then it happened! The Food and Drug Administration put the grabs on more than 10 tons of Lake Michigan coho salmon enroute to family dinner tables. The salmon contained up to 19 parts per million DDT—almost three times the maximum allowed in beef sold for human consumption. Suddenly, the fundamental relationship of DDT to man's position at the top of the natural food chain became an exciting topic of conversation for folks living in the Great Lakes area.

The coho seizures added fuel to the smoldering coals of Rachel Carson's best seller which had already been furiously fanned by a group of citizens and scientists banded together in the "Environmental Defense Fund." Attempting to ban DDT as a water pollutant in the state of Wisconsin, EDF paraded an impressive array of scientists through the national press damning DDT as a heinous, uncontrollable global pollutant.

Reaction to the contaminated coho impoundment was quick. Lacking an established tolerance level for DDT in fish, Secretary Robert Finch of Health, Education and Welfare, quickly set a temporary standard of five parts per million. He also established a commission to study the situation and present recommendations within six months.

HOT COHO

State and Federal fishery biologists predicted DDT levels in this year's crop of Lake Michigan coho would reach that five parts per million by mid-summer and several times that concentration by fall. Because growing fish concentrate DDT in their tissues, biologists hold out little hope that millions of pounds of valuable fish will be safe for consumption by the end of summer. The United States Bureau of Commercial Fisheries also warned that DDT levels in the lake are so high that reproduction of lake trout, salmon and other species may be in real danger.

Visions of DDT scuttling the $200 million Lake Michigan coho salmon fishing industry brought prompt reaction from the governors of the states surrounding Lake Michigan.

They met and declared there was no immediate DDT health hazard in Lake Michigan. Then they set up several committees to study the problem to see if a tolerance level of 20 parts per million DDT would be safe for humans. (Nobody knows what a really safe limit is. Whether it is 1, 5, 20 or 100 parts per million is an arbitrary judgment.)

Illinois Governor Richard B. Ogilvie announced his intention to continue drinking Lake Michigan water and eating coho salmon.

The Michigan Department of Agriculture "banned" DDT in April. This "ban" was analogous to slamming the barn door behind a horse thief and giving him several years to get out of town since it allows unlimited quantities of DDT to be sold and used in Michigan if the chemical was in transit from the manufacturer by June 27. Consequently, new, home-grown DDT will continue to pollute the air, water, soil, wildlife and people of Michigan for a long time.

It is a disturbing, spooky fact that no one really knows what effects, if any, DDT has on humans. Some eminent scientist maintain it may be difficult, even impossible, to find out until incalculable damage has occurred and it is too late to do anything about it.

TWELVE PARTS PER PERSON

We do know the average American carries around approximately 12 parts per million DDT in his body. Man gets an estimated 90 percent of his DDT from food. We also know it is passed on to the human fetus via the mother's placenta and a nursing mother's milk generally contains more DDT than is allowed in milk you buy at the store.

Laboratory experiments with various animals have shown DDT attacks the central nervous system, upsets body chemistry, distorts cells, accelerates gene mutation, reduces drug effectiveness and affects calcium absorption by the bones.

Hungarian experiments with mice emphasized DDT's cancer-producing potential, and that country recently banned its use. These carcenogenic properties were confirmed by a recent controversial six-year study by the National Cancer Institute which found DDT in mice did cause tumors, most of which ". . . had malignant potential."

A pharmacologist with a leading drug firm says DDT has a deleterious effect on rats' sex hormones, which are essentially the same as man's. Further, the amount of DDT necessary to produce that effect ". . . is well within the range of DDT found in human fat."

All this growing, damning evidence does not *absolutely prove* DDT is having or might have the same effects on the human animal. But Dr. Wayland Hayes, past chief of the Public Health Service toxology section, has said, "In considering the safety of workers who formulate DDT, we must depend largely on animal experiments."

Unfortunately, the evidence damning DDT as a potential threat to mankind, all the laboratory experiments, state and Federal study groups, commissions and exploding public concern, may have little impact.

IT IS BIG BUSINESS

The manufacture of DDT is a $20 million a year business, and pesticide manufacturers also fear the fight over DDT will carry over onto its persistent chlorinated hydrocarbon relatives, heptachlor, lindane, aldrin, endrin, dieldrin, and chlordane which constitute a big part of the industry's $1 billion annual sales.

The pesticide lobby is powerful, experienced and at the slightest disparaging word aimed at DDT, industry spokesmen trot out an impressive array of truths extolling its virtues in fighting disease organisms and agricultural pests throughout the world. No one contests these truths.

But there are substitutes for DDT in the form of safe non-persistent insecticides. Insect sterilization offers much hope for counteracting certain pests, and research has been stepped up on insect predators.

But DDT's apologists continue their campaign that DDT is indispensable to the welfare of mankind and get away with it. They know from past experience that the public's memory is short and the people who make the laws and buy the products don't read history books. The decisions will be made behind the scenes.

Agriculture committees in state and Federal government are almost universally dominated by farm and pesticide-oriented legislators. These committees are commonly considered rubber stamps for all but the most offensive industry pleas and graveyards for regulatory bills.

DDT's proponents seem willing to write off the growing list of threatened wildlife including the bald eagle, osprey, peregrine falcon, eider duck, bermuda petrel, brown pelican and even the sportsman-revered mallard duck. During the EDF hearing in Madison, spokesmen for the National Agricultural Manufacturers Association said, ". . . the damage is not as severe as conservationists claim." One of their arguments is that "DDT inhibits the reproduction of birds . . . but these are primarily birds of prey, and very small numbers are involved." And, "A person whose thing is studying the peregrine falcon is concerned only about every little thing that might happen to this bird."

CANNOT PROVE HUMAN EFFECTS

When the question of DDT's possible effects on humans is raised, their answers boil down to "prove it." Despite the overwhelming, growing scientific evidence that portends frightening effects on man, DDT's fans are willing to gamble. And they have graciously volunteered the rest of the world.

The already dangerous and climbing levels of DDT in the food fish of Lake Michigan may be a grim hint of what is to come. Even if not another ounce of DDT were applied anywhere in the world, beginning today, some experts guess it would be at least 25 years before the concentrations in the environment begin to level off. However, researchers have revealed a great deal of variability in the chemical's persistence depending upon local conditions.

Our exploding technology now keeps some men alive with artificial hearts and puts others on the moon. What unknown secrets will we discover about the 12 parts per million DDT we all carry in our bodies? At this level, the FDA would rule the average American unfit for human consumption.

John Gottschalk, Director of the Bureau of Sports Fisheries and Wildlife, said, "What is Happening in Lake Michigan is an indication of what to expect elsewhere. There will be a day, and it may not be until the year 2000, when *we* are the coho salmon."

The widespread use of DDT should be halted immediately unless its safety can be proven.

TRANSPORTATION IS ESSENTIAL

Mr. HANSEN. Mr. President, in recent years all Americans have been made dramatically aware of the tragic problems of our cities. It is unfortunate that our history has been blighted by outbursts of frustration termed "the long hot summers."

These events are the concomitants of our rapidly changing, complex social organization. There are no simple answers to this dilemma, no shortcuts to resolution of longstanding problems. However, there is no one who does not wish to see harmony restored to the tempo of urban life.

One part of the answer to city problems lies with the creation of a national transportation policy generally, and with the formation of an urban mass transit policy specifically. Today "urbanologists" speak in terms of transportation as "a tool for urban development." Such a tool would be very useful in efforts to work out the difficulties in our metropolitan areas. It can break down the ghetto walls behind which so much frustration builds.

As I indicated, I feel that there are no simple answers. There are also no cheap answers. Nor are there quick answers.

Correction of poor social and economic conditions which have evolved through decades will require the best of our mental efforts and our allocation of adequate funds. Currently there are Govern-

ment-sponsored programs whose purpose it is to utilize public transportation to bring the disadvantaged into the mainstream of American life.

Unfortunately, however, the urban public transportation system in this country is in a sad state of disrepair. Part of the blame for urban disorders is the situation wherein urban residents find themselves cut off from the "good life" of cities for want of adequate transportation. People who cannot get to available jobs or who cannot enjoy the cultural benefits to be had in our cities are bound to be angry.

For these and other reasons—traffic congestion, noise, pollution—I feel that it is imperative for us to establish a program of financial assistance for local governments which seek a way out of the asphalt and concrete jungles that so many people call home. Public transportation is essential to the health of the urban environment. It is essential to those people who have no alternative but to rely on a public service to get to and from jobs and shopping areas.

Local governments will be encouraged to act only if they can count on the Federal Government's aid for a period of years. Without assurances of financial assistance they can hardly be expected to undertake costly programs aimed at the alleviation of transportation problems. There is no doubt in my mind that if we set our minds to do it we can make our cities something besides "a nice place to visit"—where perhaps the summers will not be so hot or so long.

Mr. President, our Nation's transportation problems and deficiencies increasingly demand the attention and imaginative efforts of every one of us. The Committee on Commerce will be examining these problems and the President's proposed solutions in the coming months, and I would again emphasize that the need for new approaches calls for the best thoughts and efforts of all.

ABM: A SHIELD, NOT A SWORD

Mr. JACKSON. Mr. President, I invite the attention of Senators to an article written by Dr. Ernest W. Lefever and published in Tempo of August 15, 1969. Tempo is a twice-monthly publication of the National Council of Churches. Dr. Lefever's article presents a positive case for the Safeguard ABM system, and I think it is very much worth reading by Members of Congress.

Dr. Lefever, an ordained minister, served from 1952 to 1954 as associate director of the National Council of Churches' Department of International Affairs. He is currently professor of international politics at American University and senior fellow on the foreign policy studies staff of the Brookings Institution.

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:

ABM Is a Shield, Not a Sword

(By Ernest W. Lefever)

In our dangerous world where nuclear war is possible, though not probable, any humane citizen wants his government to pursue policies designed to prevent a nuclear holocaust. Concerned and informed persons differ in their assessment of the external threat faced by the United States and of the means to counter the threat as they see it.

Will President Nixon's proposed Safeguard ABM system make nuclear war more or less likely than alternative ways of dealing with the strategic threat of the mid-1970s?

To deal with this fundamental political and moral question, one must define the dangers we face. The President and most strategic experts believe we will confront a new and serious nuclear threat within five years if present trends in the United States and the Soviet Union continue. In the past decade Soviet spending for strategic nuclear weapons has increased about 70 percent, while ours has declined about 50 percent. For several years Russia has been spending substantially more on its strategic forces than we have on ours.

By the mid-1970s Russia's massive SS–9 intercontinental missiles will be sufficiently accurate to virtually wipe out our land-based Minuteman missiles in their reinforced concrete silos in one devastating blow—unless we develop an active defense for them before that time. This widely accepted judgment is a statement of Russian military capability, not a statement of Russian political intentions. We have no way of knowing what Soviet leaders intend to do with their mighty military capability. But we do know from history that political leaders sometimes are prepared to use the maximum military power they have to achieve their objectives.

To put it another way, the strategic stability that now prevails between U.S. and Soviet forces, and which thus far has prevented nuclear war, is now being seriously challenged by the dramatic upsurge of Soviet missile might. The situation is further complicated by the capacity of both sides to develop multiple warheads on one missile—MIRV's, multiple independently targetable reentry vehicles, though neither we nor they have completed a testing program.

Doctrine of Mutual Deterrence

The major strategic problem is to prevent a first nuclear attack from either side. If we succeed in this prime objective there will never be a deliberate nuclear exchange. This is where the doctrine of mutual deterrence comes in. Each side must have the capacity to deter a first strike by the other. The essence of this capacity is a second-strike force sufficient to deliver an unacceptable blow to the homeland of the other—thus deterring any rational and responsible government from launching an attack in the first place.

There are two principal ways of maintaining a creditable deterrent force. One is to deploy more offensive missiles than the adversary can destroy. The other is to deploy a smaller number of offensive weapons, but better protected.

It is this second alternative that Safeguard is designed to make possible. Since hardening will not provide adequate protection for Minuteman in the mid-seventies, an active defense is required. As such an active system, Safeguard will maintain an effective deterrent without a significant increase in U.S. offensive weapons.

Safeguard is an anti-ballistic missile system designed to destroy attacking missiles before they reach their targets and without detonating the nuclear warhead of the attack missile. Its long-range Spartan missile intercepts the attack missile 200 to 400 miles above the earth. The smaller Sprint destroys warheads missed by Spartan within 40 miles of the target. No one claims perfection for this complex system which involves radar and computers, but the majority of the best informed scientists believe it would be about 80 percent efficient.

In my professional contacts with scientists and engineers in and out of Government, I have had many opportunities to discuss the feasibility of Safeguard. I am convinced it will work, a conviction based primarily on my respect for the views of experts who have a good record of being right in the past.

Five Reasons

I reject as immoral and dangerous the position of those Safeguard opponents, and there are many, that a substantial increase of U.S. missile capacity is the best way to counter the new Soviet threat of the 1970s. There are five reasons why President Nixon's Safeguard system is preferable to the alternative of deploying additional offensive weapons, all of which have significant moral and political implications.

First: Safeguard will more effectively protect our deterrent than the multiplication of new offensive weapons. It is better to protect the weapons we have than to build and deploy additional offensive weapons which, if matched by the other side, will also need protection.

Second: Safeguard is not as provocative to the Soviet Union as the multiplication of offensive weapons. A shield is less menacing than a sword. Recognizing this the Russians have deployed ABM weapons at some 60 sites and have repeatedly asserted the desirability of defensive weapons. We have deployed no ABM weapons. The fact that Moscow has made no official protests against our ABM plans suggests that the Soviet leaders accept mutual need for a limited ABM system, at least against the common threat from Red China.

There is no evidence that Congressional support for Safeguard will delay strategic arms limitation talks with Moscow nor adversely affect their outcome. On the contrary, if we entered the talks just as the President's request was rejected by the Congress, we would start off from a position of weakness that the Soviets would be tempted to exploit.

Third: Safeguard would have a stabilizing effect on strategic arms expenditures on both sides, while a new round of offensive weapons could launch a strategic arms race. The mutually provocative character of offensive missiles has been demonstrated in the past. After declining 50 percent in the past ten years, U.S. strategic expenditures have leveled off substantially below current Soviet strategic spending. It is important to note that U.S. strategic expenditures (including research, development, hardware, maintenance, and manpower) constitute about 15 percent of the defense budget, the remaining 85 percent going for general purpose forces.

Fourth: Safeguard is less expensive than a significant increase in offensive weapons. The requested ABM appropriations for 1970 is $893 million, which is less than 1/90 of the defense budget and less than 1/1000 of the GNP. The total cost of the projected ABM program from 1968 (the year Congress authorized it) through its completion in 1976 is estimated at $10.2 billion, or about eight percent U.S. strategic expenditures, less than two percent of each defense budget, and about one-fifth of one percent of the GNP. By any measure this is a tiny fraction of our total resources, and in any event, defense "savings" are not transferrable to any other slot in the Federal budget.

Fifth: Perhaps most significant of all, Safeguard increases the military, diplomatic, and moral options of the President in a serious confrontation with a nuclear adversary or in the event of a nuclear accident. If a nuclear event should occur now, the President has two choices—he can choose to do nothing militarily or he can unleash nuclear retaliation against Russian cities. This is a terrible choice. While we all hope that no President will ever be faced with a deliberate nuclear attack or even a nuclear acci-

dent, what humane and rational man would deny him a third option in that fateful moment—if a third option were available?

A NEW BUTTON FOR NIXON

Safeguard provides that third option between capitulation and retaliation. If a nuclear event occurs after we have a deployed ABM system, the President will not be limited to do nothing and pushing a button that may kill millions of Russians. He will have an ABM button, a damage-limiting option, which may save millions of American lives without killing a single Russian. Who would deny the President this chance to save millions of lives, to reflect, to plan? Furthermore, Safeguard strengthens mutual deterrence and thus reduces the probability of a nuclear attack in the first place.

Our world is becoming more dangerous and uncertain because of China's growing nuclear might. By 1975 Peking will be able to launch a nuclear attack against the United States. Both Communist giants have serious internal stresses, and a leadership crisis at the top could erupt at any time. In the ensuing power struggle there could be a breakdown of restraint and a nuclear event, by design, miscalculation, or accident, could take place. If the United States were the target, we want to be in a position to limit damage to ourselves and to avoid a full-scale nuclear exchange. Only an ABM system can make this possible. Offensive missiles can retaliate and cause damage, but they cannot prevent and limit damage. Safeguard can prevent and limit damage, but it cannot cause it. Safeguard is a shield, not a sword.

A PRAYER

Mr. HATFIELD. Mr. President, as an honorary member of Kiwanis International, which has currently 136 members in Congress, I am happy to note that on the eve of the Apollo 11 flight a moving invocation was offered at one of the Kiwanis Clubs in Metropolitan Washington, the Kiwanis Club of Bethesda. The invocator was Dr. George K. Chacko, a member of the club and also the district chairman for special communications of the Capital district comprising 164 Kiwanis Clubs in Washington, D.C., Maryland, Delaware, and Virginia. Astronaut Frank Borman acknowledged the invocation in behalf of his fellow astronauts on the Apollo 11 mission. The invocation and acknowledgement are published in the Capital District—Division One Newsletter. I ask unanimous consent that it be printed in the RECORD.

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

O Lord: Who created the Sun and the Moon and the stars of our galaxy, as well as those of all other galaxies; Yet who remembers man whom Thou hast created in Thine own image and set above them all—we exalt Thy gracious mercies which permit us to understand the mysteries of Thy creation so that we may enjoy them.

Grant Thou our Father, that we may magnify Thy holy name at this time: by offering our highest technical excellence in astronautics in our first voyage to the nearest celestial neighbor tomorrow, as true worship of Thy bounty to us and to all mankind.

Be Thou with our astronauts—Neil Armstrong, Buz Aldrin, Michael Collins—guard, guide and strengthen them; give them journey mercies, and grant that if it be Thy will, their conquest will serve to reverberate in outer space Thy praises even as they do here on earth today at this Kiwanis meeting in Bethesda, Maryland.

In Thy name we ask. Amen.

WASHINGTON POST ENDORSES MASS TRANSIT TRUST FUND—REJECTS NIXON BILL AS A TIMID APPROACH TO TRANSIT PROBLEM

Mr. WILLIAMS of New Jersey. Mr. President, the Washington Post, a newspaper which over the years has been in the forefront of the fight for adequate mass transportation, has now rejected the Nixon-Burns transit bill and endorsed my concept of trust fund transit financing.

The Post's endorsement is particularly significant in view of the fact that its editorial staff is thoroughly familiar with the problem of financing an adequate transit system. The experiences of the Washington metropolitan area in obtaining a Federal commitment through the appropriation process is one with which we are all familiar. So far it has resulted in complete and utter failure. As Secretary Volpe well knows, this is the Nixon approach—one which experience tells us will not work.

As the Post in its August 13, 1969, editorial clearly and succinctly points out:

> The President asked Congress for only $3.1 billion in the next five years to get new subway and other mass transit systems under way. The paltry nature of this amount rests in the simple fact that it is not enough to build decent subway systems in even two cities and that it is less than the Federal government will spend on highways, not in the next five years but in the next year alone.

The Post goes on to state:

> The highway program has been funded consistently at a high level (approximately $4.5 billion this year) because of the trust fund established to finance it. Tax money accumulates in that fund and can be spent on nothing else. This same approach, urged on Mr. Nixon by the mayors of most cities and many congressmen for urban transit has been rejected, apparently because of the economists and the budgeteers do not approve of it. Their approach is to persuade Congress to authorize the spending of $10 billion over 10 years and then to go back to Capitol Hill every two years to get the actual money to spend. It is here that the Nixon program possesses the potential of becoming a sham. The states have been able to schedule highway construction years in advance because they know that federal money will be available to pay for it. It may be that the three-year contractual period Mr. Nixon proposes will be sufficient to allow subway planners to do likewise. But in light of the experience of the District of Columbia in getting subway appropriations (as contrasted with the original authorization) and of the housing program in getting the money needed to fulfill the promise of last year's Housing Act, it is well to regard Mr. Nixon's transit program with a healthy degree of skepticism.

Thus the Washington Post joins a long list of newspapers, including the New York Times, the New York Daily News, the Asbury Park, N.J., Evening Press, the Trenton, N.J., Evening Times, Macon, Ga., Telegraph & News, the Boston Herald Traveler, and the Boston Globe, which have rejected the Nixon formula in favor of the trust fund.

I would hope that the administration will take this excellent advice and reconsider its ill-advised position. The motto of this administration should not be, "If you've seen one traffic jam you've seen them all."

Mr. President, I ask unanimous consent that the Washington Post editorial of August 13, 1969, be printed in the RECORD.

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

A TIMID APPROACH TO TRANSIT PROBLEM

President Nixon's message to Congress on urban mass transit spells out a program that is at its best a parsimonious approach to a major problem and at its worst a promise that may not be fulfilled. Mr. Nixon has recognized one of the pressing needs of our time—a method of moving people into and through the major cities by something other than the automobile—but his program holds out little real hope that this need will ever be met.

The President asked Congress for only $3.1 billion in the next five years to get new subway and other mass transit systems under way. The paltry nature of this amount rests in the simple fact that it is not enough to build decent subway systems in even two cities and that it is less than the federal government will spend on highways, not in the next five years but in the next year alone.

There are, of course, budgetary problems which operate to cut back the federal funds available for the fight to save cities from becoming completely uninhabitable. But the country must make a decision. The billions of dollars turned into concrete strips in each of the last 15 years have produced the greatest highway system in the world. The cities have been tied together, and the suburbs linked to downtown areas, in a way that always entices and sometimes compels people to travel by automobile. The autos are devouring the cities and the choice is to let them continue—jamming the streets, polluting the air, demanding more land for parking lots and more highways—or to provide alternative transit systems. A failure to do the latter is a choice to do the former and that is close to what Mr. Nixon's transit proposal really is. A total of $300 million next year, $3.1 billion in the next five years, and $10 billion in the next 10 years won't come near providing feasible alternatives.

The highway program has been funded consistently at a high level (approximately $4.5 billion this year) because of the trust fund established to finance it. Tax money accumulates in that fund and can be spent on nothing else. This same approach, urged on Mr. Nixon by the mayors of most cities and many congressmen for urban transit has been rejected, apparently because the economists and the budgeteers do not approve of it. Their approach is to persuade Congress to authorize the spending of $10 billion over 10 years and then to go back to Capitol Hill every two years to get the actual money to spend. It is here that the Nixon program possesses the potential of becoming a sham. The states have been able to schedule highway construction years in advance because they know that federal money will be available to pay for it. It may be that the three-year contractual period Mr. Nixon proposes will be sufficient to allow subway planners to do likewise. But in light of the experience of the District of Columbia in getting subway appropriations (as contrasted with the original authorization) and of the housing program in getting the money needed to fulfill the promise of last year's Housing Act, it is well to regard Mr. Nixon's transit program with a healthy degree of skepticism.

THE MORAL CLIMATE OF A NATION

Mr. TALMADGE. Mr. President, what in the world is happening to the moral climate of a Nation where citizens go to

the aid of criminals instead of their victims?

With increasing frequency we read about and hear about law-abiding people on the streets, old men and women in many cases, being set upon by vicious criminals, or of police officers in the performance of their duty trying to arrest criminal suspects. Then what happens? Other citizens pitch in to help the criminal abuse, assault, or rob the victim and prevent police from doing their job.

This is an outrageous commentary on the times in which we live. It demonstrates a deterioration of the moral fiber of this great country that cannot be tolerated.

Today's edition of the Washington Post contains a news article from Jersey City, N.J., that relates an example of this tragic situation.

In this case, five spectators helped a thief to snatch the purse of an elderly woman, and when her son struggled to recover it, they set upon him and took his wristwatch and wallet.

This is an abomination that shocks the senses of civilized people. It constitutes a threat to the safety and security of every man, woman, or child who walks the street, day or night.

I am surprised that the law-abiding, hard-working people of America have not yet risen in righteous indignation:

Against the tidal wave of crime that has virtually inundated the country;

Against people who take the law into their own hands and trample on the rights and property of others; and

Against people who are no better than the brutes and the robbers they seek to assist.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

PURSE SNATCHERS IS HELPED BY FIVE SPECTATORS

JERSEY CITY, N.J., August 12.—Five men watched a purse thief and the victim's son grapple over the pocketbook Monday on a crowded sidewalk. They pulled the pair apart, let the thief go and then robbed the son.

Police said Mrs. Anna Piatruska, 64, and her 26-year-old son, Victor, were shopping for a ring when a man walked in the jewelry store, snatched the woman's purse and fled with its $900 contents.

Victor raced after the thief and tackled him about a block away. Police said five spectators pulled the struggling men apart, told the thief to run with the purse, then took Victor's wristwatch and his wallet containing another $100.

TRIBUTE TO WASHINGTON WORKSHOPS

Mr. HATFIELD. Mr. President, it is with great pleasure today that I, on behalf of the Senate, extend a warm welcome and hearty congratulations to the Washington Workshops Foundation. In these times of student unrest and explosive world crises, our concern must reach beyond the materialistic problems of the day to the enigmas which will foreseeably confront us in the future. But we cannot wait until tomorrow to start tackling the innumerable obstacles which block the road to peace and harmony on this earth. Such is the nature of these obstacles that, if they are to be overcome, we must start solving them now, today.

The Washington Workshops Foundation is giving us a chance to do just that. The foundation, a private nonprofit organization directed by Mr. Leo S. Tonkin, sponsors congressional seminars throughout the summer. The students come from every State in the Nation, and social and economic standings are not factors as the foundation offers scholarships to over one-third of the participants while several others are funded by their local communities, nationwide organizations such as Western Electric, and the Government, under title I of the Elementary and Secondary Education Act of 1965.

Every day this comprehensive sampling of eager, concerned young U.S. citizens venture onto the Hill in search of meaningful dialog with those who represent them. They listen to hearings, and meet as a group with various Senators and Representatives. But they do not stop there. Pains are taken to schedule key officials in the other two branches of our Government, including Cabinet Members and Supreme Court Justices. Their deep commitment to do something about the world they live in and their inexhaustible search for answers carry them out into the corridors of Capitol Hill, where they seek out and corner many more Representatives and Senators for a few minutes of hurried conversation.

I had the great pleasure of speaking with about 150 of these students. Their eagerness to learn, their awareness of what is happening today, their probing questions and well-reasoned remarks, excited me both as a Senator and as a former teacher. I was glad to be able to share my views with them as well as to learn what troubled and interested them. We spoke to each other; we listened to each other. Together we achieved the first step toward solving the many problems which confront us all: we communicated.

Thanks to the Washington Workshops the Government is being drawn closer to the governed, and they to it. The workshops is only in its second year, but has already brought more than a thousand students from every background and State to come to know the Government as their Government. The workshops is continually expanding at an overwhelming rate. Already Mr. Tonkin has brought 65 outstanding students from last year's program back to Washington this summer for 2 weeks of intensive study and research on the Congress, followed by 2 weeks of voluntary intern work in congressional offices.

No words can express how important this task is that the Washington Workshops Foundation is undertaking. Without programs like this a true understanding between constituents and representatives cannot be reached. Without understanding, communication becomes impossible, and honest, energetic attempts to solve national and world problems are lost in a maze of emotions and frustrations.

Washington Workshops is offering an exciting challenge to us in the Government and to our high school students around the country. It is up to all of us now to meet it, support it, and participate in it in order that the greatest possible advantage for all concerned may be drawn out of it. Again I commend the Washington Workshops for its achievements and untiring efforts in the service to this country and its citizens.

TAXATION OF CHURCH PROPERTY

Mr. SPARKMAN. Mr. President, on July 31, 1969, the Alabama Baptist published an article which I think gives some pretty potent ideas regarding the taxation of property belonging to churches but not being used actually as a part of the church operation.

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:

THE CHURCHES, THE DENOMINATION, AND TAXES

(By T. B. Maston)

Is it consistent with our theory of separation of church and state for our Baptist churches to be exempt from taxation? Some contend that it is the only practice consistent with the separation of church and state. They suggest that the power to tax is the power to control. Others insist that this argument is a mere rationalization.

It is also suggested that the exemption from taxation of church property is a recognition by the government of the valuable and distinctive contribution of the churches to the general welfare.

Whatever the reasons for the exemption, it has been the traditional practice in our nation and evidently will be for the indefinite future. There are, however, many citizens, including some sincere churchmen, who are raising questions concerning the practice.

I do not claim to be a tax expert but it does seem to me that we need to give some attention to the tax exempt status of our churches, and of our denominational agencies.

There may properly be some question about the exemption of all church property. I personally believe that the only property of local churches that should be tax exempt should be the building or buildings that are used for worship and educational purposes. If the church has revenue-producing property it certainly should be taxed. This would include houses or business property that is rented.

The preceding would also mean that the houses provided by the church for members of the church staff, including the pastor, would be taxed. These taxes might be paid by the church or by the staff members. The latter would enable the staff to identify more fully with the ordinary members of the church.

Also, I believe it would be proper for the church to pay an agreed amount to the county or city for fire and police protection. Why should citizens who are not members of the church or of any church be taxed to provide protection for our churches?

Our denominational agencies and institutions may need to review their policies regarding taxation. Let their trustees and administrators be sure that they do not abuse their present tax-exempt status.

Surely no church or denominational agency or institution should ever enter into an

agreement that would enable an individual or a business concern to evade taxes illegally.

Taxes should be paid on all revenue-producing property by boards, benevolent institutions, colleges, seminaries, and other denominational agencies. Dormitories could be an exception to this rule, but only if the rent charged simply cared for liquidation and/or depreciation.

Any time an institution, through apartments or housing, becomes competitive with legitimate business interests in the community it should pay the same taxes as its competitors.

Certainly any property held for investment purposes should be taxed.

Let our institutions be more concerned with what is fair and right than they are with what will be most advantageous to them.

"THE NEXT 1,200 DAYS," AN ARTICLE BY SENATOR JACOB K. JAVITS

Mr. MATHIAS. Mr. President, it is appropriate that this week the Senate is both debating possible cuts in military procurement and beginning to discuss the new domestic programs outlined by President Nixon on August 8. These two issues are intimately related, for our current fiscal pressures make it imperative for us to establish sensible priorities and focus Federal investment where it will really help to meet our most pressing national needs.

In a thoughtful article in the Ripon Forum, the journal of the Ripon Society, for July 1969, the senior Senator from New York (Mr. JAVITS) discussed the problem of national priorities and outlined the initiatives he feels this administration should take to bring this Nation "to grips with the crisis of the cities and the closely related hopelessness of its rural poor." Senator JAVITS summarizes the current sense of frustration in the Nation as "a crisis of inaction, not of impotence," and calls for "an immediate and highly visible response" by Government.

I believe Senator JAVITS' remarks merit wide consideration. I ask unanimous consent that they be printed in the RECORD.

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

THE NEXT 1,200 DAYS

(By Senator JACOB K. JAVITS)

Our nation is facing a crisis of purpose which will determine its destiny for the rest of this century—a crisis which demands an immediate and highly visible response. The response that is needed, at the very least, is the establishment of goals and the means to implement them which will bring this nation to grips with the crisis of the cities and the closely related hopelessness of its rural poor. What is needed is the reordering of our national priorities away from the building of "limitless" military power—without any sacrifice of national security—and toward the restoration of "domestic tranquility."

Up to this point, with one exception, the Nixon Administration has not yet moved on the nation's problems of poverty and alienation with the resources and speed so vitally needed. The one substantive exception has been on the problem of hunger—an exception which I hope will clearly mark the route the President will follow, and which could be noted with great profit by some of the President's advisors.

In a dramatic and humanitarian gesture, the President announced—apparently overruling even some of his own advisors—that he planned to wage an aggressive campaign against hunger, a campaign that would cost an additional $1 billion annually. This was a thrilling moment in my political career because I am the ranking minority member of the so-called Hunger Committee. It pointed up how an issue illuminated in the public forum that sears the conscience of the nation can be translated into immediate, meaningful political action.

HOPE AMIDST DOUBT

There is some doubt that the additional $1 billion per year the President plans to spend will be adequate to expand and improve the Federal food stamp and food distribution programs sufficiently so that every family, no matter how modest its means, will be guaranteed a diet that meets the minimum Federal nutritional standards. But one thing is no longer in doubt: if the President has the will, then I feel we have a right to expect that he will find the means to finance the new forward-looking programs that are required to help our poor. And I might add that the President has given every indication that these funds can be found even within his pared-down budget for fiscal 1970 without diverting the nation from the anti-inflationary course he has charted.

Inflation is the nation's most *immediate* pressing problem. But while the Administration must act to curb inflation, it can illafford to downgrade attention to our urgent social problems. The action to reduce federal spending should have cut deeper into military spending—especially into the outlays for overseas bases and for research and development—and should have left the funds available for domestic programs substantially intact or enhanced by transferred military funds. There is still time to revise these priorities.

In his domestic message to Congress, the President indicated that once inflation had been brought under control through short-term budget cuts, "we must be prepared to increase substantially our dollar investment in America's future as soon as resources become available."

TRIM DOD BUDGET

I submit that the resources are now available, even with the present need for Federal austerity to offset the legacy of inflation left by the folly of President Johnson's "guns and butter" policy. Those resources—of say $5 billion—can be found today in the "guns" portion of the national budget because I am convinced that much fat can be trimmed from the nearly $80-billion defense budget at no real danger to our nation's security. And those deferrable or unneeded military dollars are sorely needed on the domestic side of the ledger to offer better housing, schools, health care, transportation, job training and a decent diet to the millions of our nation's poor. Indeed, there is every indication that the President himself already sees this and plans to dip into the Defense budget to find the extra fund he needs for the enlarged food assistance program he has announced in the coming year.

Yet, desirable as it is, the President's program to feed the hungry is but a jetty against an ocean of poverty and racial tension that is pounding against the underpinnings of our society. The President and other Republicans, including myself, can speak properly of the unkept promises, of the massive spending programs and the muddled bureaucracy that have come to characterize the New Deal and Great Society approaches to eliminating poverty. We Republicans can make new promises that the solutions lie in tax incentives to the business community, in revenue-sharing to promote local initiative and in new programs that stress voluntarism by the private sector and self-help and participatory democracy by the poor. But it is quite another thing again to come up with the programs and the substantial funds that will be required to make even these enlightened concepts work.

WELFARE CHANGES

The first step in the difficult transitional process of moving away from the present inequitable and degrading welfare system—and the Administration shows signs of moving in this direction—is for the Federal government to adopt minimum standards of welfare throughout the nation and to pay a share of the resulting higher payments in states that cannot afford them. Such reform would go a long way toward ending the exodus of the poor from rural areas where welfare payments are shockingly low to the cities where assistance to the poor is generally maintained at more enlightened levels.

The new Administration must be bold enough—and generous enough—to overcome the vicious and degrading stereotypes of poverty. It must, for example, require that assistance programs be available to all impoverished families including those that have a man in the house. No longer should able-bodied men be encouraged or compelled to abandon their families so that their wives and children can qualify for welfare assistance. No longer should families be disqualified from receiving assistance if the man or the woman of the house is able to find work and yet is unable to maintain the family at a subsistence level. I do not preclude the possibility of a system that moves toward a guaranteed family income, either through a reverse income tax or income maintenance by family allowances—but always with incentives to work, to educate oneself, to lift oneself out of the degradation and hopelessness of poverty.

But in the meanwhile, where are the funds needed to implement the present programs? The poor are told that they are to participate in their own flight from poverty. But the funds sought by this and the previous Administration for local initiative through OEO's community action programs came to less than what was requested to cover operating expenses of the Coast Guard.

Ghetto residents are told that they will be helped to establish themselves in small businesses. But blacks, who comprise 10 per cent of the population, still own less than one per cent of the businesses. Loans from the Economic Opportunity Loan Program, which were promised to aspiring ghetto businessmen at the rate of 10,000 a year by the Johnson Administration, totaled only 1,700 last year. Not only must the Administration take bold steps to give life to this program, it should reverse any tendency within the Small Business Administration toward cutting back on its prior commitment of bolstering minority enterpreneurship through technical and financial assistance.

TICKING TIME BOMBS

Time bombs of frustration, despair and anger among our urban poor continue to tick away. What a tragedy it would be if more explosions came this summer because we failed to heed in time demands for action by the tenants of those slums that *someday* are to be renovated or replaced; by the students in the schools that *someday* are to receive suburban-quality facilities and instruction; by the disadvantaged sick who *someday* are to get first-class treatment and hospital care; by the malnourished who *someday* are to feel the full bellies promised by the President's food program; by the hardcore unemployed who *someday* will receive the vocational training and the equal opportunities now promised by Federal law.

The children of the poor are also entitled to the same educational opportunities as those who can afford the spiraling costs of

a college education. And yet, the Administration's budget proposals include a cutback of about a quarter from the amount appropriated last year under the National Defense Education Act's student loan program, and eliminate altogether Federal grant programs for the construction of college buildings and the stocking of elementary and secondary school libraries.

HEW VIGILANCE

True equality of education is unapproachable on a national scale without the end of segregation in nearly 800 school districts largely in the South. A deadline for compliance of September 1969 seems little to ask in view of the fact that the Supreme Court ordered desegregation *15 years ago* and Congress passed Title VI of the Civil Rights Act of 1964 *five years ago*. There should be no lessening in HEW's enforcement of the law or in any Department's efforts in the area of civil rights.

In the field of health care, I see a promising and constructive role for Government in cooperation with the individual and the private sector. But in the "Knowles affair" we faced a danger of a reversal in present national health policies. For, the key question was what the controlling influences would be with this Administration in the field of health—that is, to what extent would the AMA be a dominant factor, and to what extent would opinion opposed to participation by government in the health care of the people be a dominant factor. The appointment of Dr. Harold Egeberg as Assistant Secretary for Health puts many of these fears to rest because he has made clear his dedication to the principle of adequate health care for all and has asserted his independence from undue influence by the AMA.

ABM CRITICAL

Those as concerned as I about reordering national priorities would be more reassured if it were clear that we are pointed in the direction of early disengagement from the Vietnam conflict and deescalation of the arms race so that we can devote major attention to relieving the nation's domestic ills. This concern has contributed to much of the opposition to the development of the Safeguard ABM system which has become a symbol in the debate over national priorities. I think the Safeguard debate stands out as a critical phase of the struggle for the soul of the Nixon Administration. With his decision to deploy the ABM the President has shown that his military advisors continue to carry great weight with him. In their minds military hardware is to have the first claim on national resources. I submit that the rich and varied tapestry of American society as we have always known it may not survive the excessive cost of another major escalation in the arms race. Indeed, at the risk of sounding like an Old Testament prophet, I believe that the diversion of resources necessitated by the $8-billion deployment of Safeguard—combined with continuation of the Vietnam war and no progress on further disarmament—could touch off such a maelstrom of protest from our disadvantaged citizens and disenchanted youth as to jeopardize the life of our free institutions.

It is at the threshold to such a potentially tragic future that we now stand. But, the spectre of inexcusable poverty and domestic unrest provides the President with an opportunity as well as a challenge. It is an opportunity of politics as well as of history. By moving boldly in the direction of uplifting the poor into the mainstream of American society, by seeking to reconcile the alienated, by achieving a new synthesis of the public interest and sound business practices in his domestic programs, by ending the war in Vietnam, by progressing further in disarmament—President Nixon, who was elected by a minority of the people, may yet transform the Republican Party to the Party of the majority.

GOP OPPORTUNITY

I have always believed that the Republican Party could be the vehicle for truly progressive action in our society. I have always believed that the private sector has the capacity to operate in the public interest to solve such vital problems as urban decay, rural poverty and unemployment. It is now for President Nixon to bring this lesson home to the majority of the American people by utilizing traditional confidence of the business community in the Republican Party wherever possible and by bringing the full effect of government power, funding and partnership to bear on the problems that do not lend themselves to solution by the private sector alone.

But overreliance on non-governmental approaches to dealing with our nation's domestic ills could produce a new generation of unkept promises not at all dissimilar to those that have been the legacy of the Roosevelt and Johnson years. The difference is that such a set of broken promises could provide the match to ignite the flames of violent upheaval that, with some tragic exceptions, has thus far been generally contained.

The sense of crisis that pervades our nation today is a crisis of inaction, not of impotence. It is a crisis of not doing, rather than a crisis of not knowing what to do. And therein lies our hope for the future—the immediate future—so far as President Nixon is concerned. The great hope in the Nixon Administration is that it will lead the nation to taking action in time. Its greatest tragedy would be if history reveals that our nation could have prevailed over the social ills that now afflict it, except that we failed to act in time.

A PROFILE OF THE LATE SIDNEY J. WEINBERG

Mr. TYDINGS. Mr. President, one of the most remarkable of this country's many stories of self-made men came to an end on July 23, when Sidney J. Weinberg died.

During the 77 years of his life, he had traversed the world of Wall Street, beginning as a summer runner for a brokerage house at the age of 13; ending as a partner of Goldman, Sachs & Co., and known admiringly as "Mr. Wall Street."

Sidney Weinberg was an adviser at the highest level of five Presidents. He was for almost half a century America's statesman of finance.

It was my pleasure to first meet him when I was only a lad of 10 years. He was and had been for many years before a close and valued friend, both of my father, the late Senator Millard E. Tydings, of Maryland, and my grandfather, the late Ambassador, Joseph E. Davies of Wisconsin.

Our Nation will sorely miss the remarkable talents, judgment, and energy of this great American.

I ask unanimous consent to have printed in the RECORD an article by Alden Whitman, published in the New York Times describing the length and breadth of Mr. Weinberg's interests and the unique qualities of brilliance, humor, and independence that those who knew him can never forget.

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

SIDNEY WEINBERG, "MR. WALL STREET," DIES; EXPERT ON FINANCE, SAT ON BOARDS OF 35 CORPORATIONS; WAS AN ADVISER TO FIVE PRESIDENTS—SOLD FORD STOCK

(By Alden Whitman)

Sidney J. Weinberg, whose financial acumen earned him the sabriquet "Mr. Wall Street," died at Columbia-Presbyterian Medical Center Wednesday evening after a short illness. He was 77 years old.

Mr. Weinberg, a tart-tongued man whose formal education ended with eighth grade, was one of the most sought-after wizards in the intricate world of corporate financing and merging.

Partner in Goldman, Sachs & Co., one of Wall Street's leading investment banking houses, Mr. Weinberg was an acknowledged oracle—in such demand that at one time he sat on 31 boards of directors, most of them the bluest of the blue chip companies.

While he was earning the title, "Mr. Wall Street," he was also serving as an unofficial adviser to five Presidents. Franklin D. Roosevelt nicknamed him "The Politician" as a tribute to his knack for getting things done. Mr. Weinberg also counseled Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy and Lydon B. Johnson.

The most succinct (and probably one of the most accurate) testimonials to Mr. Weinberg's abilities was written when he was 16 years old and leaving Public School 13 in Brooklyn.

"To Whom It May Concern," his teacher's letter read:

"It gives me great pleasure to testify to the business ability of the bearer, Sidney Weinberg.

"He is happy when he is busy, and being always ready and willing to oblige, we believe he will give satisfaction to anyone who may need his services."

DIRECTED FORD STOCK DEAL

Typically, Mr. Weinberg was not only busy but he also gave satisfaction in two notable Wall Street deals. One was the sale in 1956 of $650-million worth of Ford Motor Company stock for the Ford Foundation. It was the largest corporate-financing project in history up to that time.

The sale, arranged in the greatest secrecy, took more than two years to bring off, and it earned its architect a fee estimated at $1-million. Describing Mr. Weinberg's feat in The New Yorker in 1966, E. J. Kahn Jr. wrote:

"Although others naturally had a hand in the proceedings, the immense chore of reorganizing the Ford Company's entire financial setup was left pretty much up to him. The big problem was to get all hands to agree on how much money the Ford family should get for transferring part of their voting rights in the company to the shares the Foundation wanted to sell.

"Although the Foundation owned more than 88 per cent of all Ford shares, with Ford directors, officers and employes owning nearly 2 per cent more, these shares were all of the nonvoting variety; every bit of the voting power, which meant direction of the company's affairs was vested in the remaining 10 per cent, and this was owned by the Ford family."

"The New York Stock Exchange would not accept Ford stock for trading unless it had voting power, and voting power was just what the Foundation's trustees were powerless to convey without the cooperation of the Fords.

"As Weinberg set about his assignment, he could see that any plan he devised would have to be acceptable to the Ford family, to the Foundation's trustees, to the New York Stock Exchange and to the Internal Revenue Service. The last party was a far from inconsiderable one, since if it should rule that whatever benefits the Ford family got out of the deal weren't tax-free, the Fords wouldn't

be interested, and if the Foundation's tax-exempt status should be questioned, it wouldn't be interested.

"Weinberg prepared some 50-odd reorganization plans; under the one that was finally approved by all parties, the Ford family increased its equity in the company by 1.74 per cent—which, reckoned in terms of the stock's value on the day it was marketed, amounted to a paper gain of nearly $60-million."

Of all the securities packages that he had a hand in marketing, Mr. Weinberg was proudest of his Ford accomplishments. Afterward, he joined the company's board and at one time held 3,000 shares of its stock.

UNDERWROTE SEARS DEBENTURES

His second outstanding financing success occurred in 1958, when he was the underwriter for $350-million of Sears, Roebuck debentures. The largest company debt offering to that time, it was floated in a bond market so soft that some financiers doubted that the issue would sell at all.

Mr. Weinberg, however, judged the acquisitive temper of the market correctly by offering the debentures at a price to yield 4.75 per cent, slightly above comparable offerings.

Mr. Weinberg's securities flotations, his directorships (they totaled 35 over a lifetime), his network of friendships and his intimate links with Washington (he saw to it that some of his friends got high Government jobs) made him one of the most powerful men in Wall Street.

He was not, however, the richest by any means. Many of his financing fees went to Goldman, Sachs. About his personal fortune, he was close-mouthed.

Mr. Weinberg hustled his way to eminence from slum beginnings. The third of 11 children of Pincus Weinberg, Sidney James was born Oct. 12, 1891, in the Red Hook section of Brooklyn. His father was a wholesale liquor dealer of such modest means that his son was obliged to fend for himself as soon as he was graduated from grammar school.

By that time, however, he was already somewhat familiar with Wall Street, having been a summer runner at 13 for a brokerage house. This career was cut short because he got similar jobs with two other brokers, and when his triplicity was discovered all three employers discharged him.

After graduation, the young man worked briefly as "a flower and feather horse," a boy who delivered millinery goods, for $2 a week. But when the Panic of 1907 broke, he realized that there was more money to be made—as much as $5 a day—standing on line for depositors in the run on the Trust Company of America.

WAS JANITOR'S AIDE

In November of that year, after taking a course in penmanship, the youth joined the financial community for life by getting a job as assistant to the janitor at Goldman, Sachs, then at 43 Exchange Place.

Mr. Weinberg liked to recall that he canvassed the building from the top down, inquiring of each company if it wanted a boy, until he was hired.

Then a pioneer in financing industrial corporations, Goldman, Sachs seemed ill-suited to a lowly employe who delighted in putting tacks on the chairs of company clerks. Mr. Weinberg, however, had other qualities, which started to come to light in 1909 through chance.

One day he was told to deliver a flagstaff to the home of Paul Sachs, one of the partners. After taking the 8-foot pole uptown in a trolley car, young Weinberg knocked at Mr. Sach's door and was greeted by the partner himself.

Demonstrating a knack for becoming friendly with men in a position to help him, the youth impressed Mr. Sachs with his energy and his brightness. Mr. Sachs urged him to persevere in Wall Street and to go to night school.

Nonetheless, his promotions were slow, and he resigned in 1917 to enlist in the Navy. Although he was underweight, near-sighted and stood only 5 feet 4 inches tall, he persuaded the recruiting officer to accept him as an assistant cook, a rating of which he was ever after proud.

After a few weeks the Navy felt it could dispense with his cookery and shifted him to Intelligence, where his talents as an organizer and his innate gregariousness were utilized in inspecting cargoes at the port of Norfolk, Va.

TRADER IN BONDS

Returning to civilian life, Mr. Weinberg was re-employed by Goldman, Sachs as a trader in the bond department. In a short time, he was doing most of the work on one corporate-financing job after another. He was so astute in his pricing recommendations that he was given participation in the profits. That started at one-eights of 1 per cent, and by 1930, when he became a senior partner, it reached 33⅓ per cent.

In April, 1925, Mr. Weinberg bought a seat on the New York Stock Exchange for $104,000. Twenty months later he became a partner in his firm, making a $100,000 capital contribution to it.

Mr. Weinberg always stressed that the money came from his own income. "It was my money, which I earned," he said proudly in an interview two years ago. "None of it was from trading."

"I never traded," he added. "I'm an investment banker. I don't shoot craps. If I had been a speculator and taken advantage of what I knew I could have five times as much as I have today."

He grew so accustomed to money that he once told a visitor, "Money? Keeps coming in all the time, and hardly means anything at all."

The investment banker had a close call in the financial crash of 1929 and the Depression. This came about through the Goldman, Sachs Trading Corporation, an investment trust that Goldman, Sachs set up in 1928 and of which Mr. Weinberg was the treasurer.

The trading company was brought to market at $104 a share. Its price soared to $326 and then it tumbled in the crash to $1.75, wiping out hundreds of investors in the process.

One of the losers was Eddie Cantor, the comedian, who made Goldman, Sachs the butt of some of his most biting humor. In one joke, Mr. Cantor would show up with a stooge who tried to squeeze juice from a dry lemon.

"Who are you?" the comedian would ask, and the stooge, quick as a flash, would respond, "The margin clerk for Goldman, Sachs." It was a sure laugh-getter.

Mr. Cantor compounded his wit by suing Goldman, Sachs for $100,000; it was one of a score of legal actions that the company had to contest. The partners also had to confront their own losses, an aggregate of $12-million.

WORKED WAY OUT OF FIASCO

Ultimately, Mr. Weinberg was able to work the company's way out of the fiasco and liquidate the investment trust by selling its assets to Floyd Odlum's Atlas Corporation, which later sold them at a profit.

Mr. Weinberg's explanation for his association with the trust was simple. "I just wasn't very bright," he said. He offered the same explanation a few years later, when the president of McKesson & Robbins, a drug house on whose board Mr. Weinberg was sitting, was found to have defrauded the company of $21-million.

Mr. Weinberg's triumphs far outnumbered his lapses of judgment. In fact, his success as a corporate financer were credited in the 1930's and 40's with having help to restore investor confidence in Wall Street.

Part of this was said to be Mr. Weinberg's presence on company boards. Save for the hoodwinking to which he was subjected by the McKesson & Robbins president, Mr. Weinberg was an extraordinarily keen-minded director. He could be counted upon to have a mastery of the company he served and a keen eye for its stockholders' welfare.

One example of this was described in Mr. Kahn's article. "In the winter of 1954," he wrote, "when the Lambert Company (Listerine), of which he was then a director, was considering an invitation to merge with Warner-Hudnut (Sloan's Liniment and cosmetics), his fellow officials in the concern voted to leave all the negotiations up to him.

"The merger went through resulting in a new firm called the Warner-Lambert Pharmaceutical Company, but not before Weinberg worked out a deal highly advantageous to his side: each share of Warner-Hudnut, which had been worth $36 when the bargaining began, could be exchanged for one share in the new company, but so could each share of Lambert, which had been worth only $28."

Something of a wag, Mr. Weinberg was not always reverent toward industrialists and corporations. Once presiding over a dinner for former Secretary of the of the Army Robert T. Stevens, he introduced Secretary of Defense Charles E. Wilson, formerly of General Motors by saying:

"Oh, and we also have Charlie Wilson. I mean the bad Charlie Wilson, not the good Charlie Wilson."

Charles Erwin Wilson was the Defense Secretary under President Eisenhower. Charles Edward Wilson headed General Electric.

A SENSE OF HUMOR

Citing Mr. Weinberg's sense of humor, Mr. Kahn's New Yorker related this incident:

"Shortly after he was elected a director of General Electric, he was called upon by Philip D. Reed, the chairman of its board, to address a flock of company officials at a banquet in the Waldorf-Astoria.

"In presenting Weinberg, Reed said that he was sure that the new director would have some interesting and penetrating remarks to make about G.E., and that he hoped that Mr. Weinberg felt, as he felt, that G.E. was the greatest outfit in the greatest industry in the greatest country in the world.

"Weinberg rose—or, at any rate, got to his feet. 'I'll string along with your chairman about this being the greatest country,' he began. 'And I guess I'll even buy that about the electrical industry being a pretty fair industry. But as to G.E.'s being the greatest business in the field, I'm damned if I will commit myself until I've had a look-see.'

"Then he sat down to vehement applause, which was probably occasioned not only by his brevity but his brashness."

ONLY ON TWO BOARDS

Mr. Weinberg's plain talk was no bar to his directorships. Among the 35 concerns in whose board rooms he sat in addition to General Electric, Sears, Roebuck, and Ford were National Dairy Products (now Kraftco); B.F. Goodrich; Continental Can; General Foods; McKesson & Robbins; Cluett Peabody, Corinthian Broadcasting and General Cigar. At his death he was a director of only two companies—Ford and Corinthian.

Mr. Weinberg was fanatically loyal to his companies' products. When he was living in Scarsdale, N.Y., from 1923 until a couple of years ago, when he moved into the Sherry-Netherland, his house was stuffed with Kraft cheese (to which he professed himself extremely partial) as well as with hundreds of other boons of his directorships. He even switched to Ford-made cars when he became a Ford director.

An "independent Democrat" and "practical liberal," Mr. Weinberg entered politics in

1932 by working for Mr. Roosevelt's election. Almost immediately he began an intimate association with the White House that continued until this year.

At President Roosevelt's suggestion in 1933 he organized the Business Council, through which businessmen could present their views to the Government.

He was assistant director of the War Production Board in World War II and special assistant in the Office of Defense Mobilization in the Korean conflict. He was also chairman of the balance of payments advisory committee of the Commerce Department and a member of a Treasury Department liaison committee.

REJECTED ENVOY'S POST

In 1936, after helping finance Mr. Roosevelt's second campaign, Mr. Weinberg was offered the ambassadorship to the Soviet Union. He turned it down after his wife said she was unwilling to have their two sons tutored abroad. Mr. Weinberg also told his friends that he had declined "because I don't speak Russian, so who the hell could I talk to over there?"

Mr. Weinberg detoured from the New and Fair Deals in 1952 to help raise $1.7-million for General Eisenhower's campaign. His fund-raising technique, mostly personal solicitation in his rasping voice, was abrupt.

According to his friend John Hay Witney, the financier and newspaper and radio proprietor, "Sidney is the best money getter I've ever seen."

"He'll go to one of his innumerable board meetings—General Foods, General Electric or General Whatnot—and make no bones about telling everybody there what he wants. Then he'd say, 'Come on boys, where is it?—and up it comes.' "

Mr. Weinberg's influence in the two Eisenhower Administrations was conceded to be enormous. He was also a power at the White House with President Kennedy, who called on him for advice on tax proposals and for help in putting together Comsat, the Communications Satellite Corporation.

In 1964 he helped form a Johnson for President group and later recommended John T. Connor and Henry H. Fowler to the President. Mr. Connor became Secretary of Commerce and Mr. Fowler Secretary of the Treasury. Mr. Weinberg's only campaign loser was Hubert H. Humphrey, for whom he raised money in 1968.

Mr. Weinberg married twice. His first wife was the former Miss Helen Livingston, whom he married in 1920. She died in 1967. They had two sons, Sidney Jr., an executive of Owens-Corning-Fiberglas, and John Livingston, a partner in Goldman, Sachs. Mr. Weinberg had eight grandchildren.

Last Dec. 25 Mr. Weinberg married Miss Regina Pierce, a photographer 30 years his junior. They made their home in a suite at the Sherry-Netherland that Mr. Weinberg had occupied on and off since the mid-1920's.

A MAN WHO MADE A DIFFERENCE

Mr. HARTKE. Mr. President, in this complex and involved world, it is easy to say: "What can one man do? What difference can one man make?"

As difficult as the problems implied by those questions are, one man can make a difference, can change attitudes and directions.

RICHARD "MAX" MCCARTHY, a Democratic Representative from New York, is such a man. Largely through the efforts of this one man, Congress and the Nation were made aware of the unnecessary dangers of Defense Department activities in gas and germ warfare.

The June 9, 1969, issue of Commonweal magazine contains an excellent article written by Representative MCCARTHY on this problem. The article contains many good ideas and comments, but I would particularly like to join "MAX" MCCARTHY in his statement that—

All Americans who long for a more peaceful and secure world should urge President Nixon to resubmit this document (Geneva Protocol banning the first use of germ and gas warfare) to the United States Senate, and plead with their Senators to belatedly ratify it.

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

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

POISON FOR PEACE

(By RICHARD D. MCCARTHY)

During the past five years three events have aroused the concerns of Americans about the gas and germ warfare activities of the armed services. The first was a series of earthquakes in the Denver area resulting from the pumping of poison wastes from the Rocky Mountain Arsenal into a deep well. Following almost a century of inactivity, Denver experienced over 150 earthquakes from 1962 through 1967. Some of these quakes were strong enough to cause property damage, registering as high as 5 on the Richter scale. Geologists showed that the quakes were the result of the large-scale poison waste disposal at the Rocky Mountain Arsenal. Once the Army began pumping out the well, the quakes stopped.

The second event was the death of 6400 sheep in Skull Valley, Utah, next to the Army's Dugway Proving Grounds. An accidental discharge of a deadly nerve gas, VX, was carried by winds onto crop land used by the sheep and caused their death. The Army was many months in admitting that nerve gas caused the sheep-kill, although earlier scientists from the U.S. Public Health Service's Research Center in Atlanta positively identified the gas as the cause of death.

The third event—an event that may yet be prevented—is the planned move of thousands of tons of poison gas across the United States by rail for disposal in the Atlantic. In early May, I learned that the Army planned to ship 4,000 tons of mustard gas, 2,500 tons of nerve gas in bomb form, and smaller amounts of tear gas from Colorado, Alabama, Kentucky and Maryland to the Naval Ammunition Depot in Earle, New Jersey. At Earle this gas was to be loaded on four old Liberty ships, taken out 250 miles off the New Jersey coast, and sunk. At this point, the Army has announced that it will not move this gas until its plans have been reviewed by the National Academy of Sciences.

But even these incidents leave many Americans totally ignorant of the military's activities in the field of chemical and biological warfare. The United States Senate failed to ratify our country's signature on the Geneva Protocol of 1925 outlawing the first use of gas and bacteriological warfare. The United States and Japan remain the only two major powers not to do so. The only recorded uses of chemical warfare by combatants in the past quarter century have been in a civil conflict in Yemen and in Vietnam by the United States.

After viewing a television documentary describing some of our chemical and biological warfare activities, I realized that I knew nothing about this aspect of our defense operation. I discovered that most of my colleagues, even those of the House Armed Services Committee, knew little about this part of our arsenal. Congressman Claude Pepper of Florida, for example, said that in his more than twenty years in Congress he had never received any detailed information on gas and germ warfare.

In 1959 a House committee produced a brief report—"Research in Chemical, Biological and Radiological Warfare"—which recommended extensive research on the manufacture and deployment of chemical and biological agents. The Army now claims this report gave the impetus and direction for its CBW activities and constitutes Congressional authority and sanction.

The Army conducts CBW activities in almost total secrecy. The tight security became evident to me as I began a review of this sector of the military's many-sided enterprise, described by the *New York Times* as "the dark corner of the Defense Department." The security curtain is rarely parted and appears to go beyond the valid purpose of preventing potential enemies from learning about our activities. Some members of Congress believe it is at least partially designed to keep the American people from learning about our policies and practices in gas and germ warfare.

INCREASING CONCERN

At my urging, the Army consented to brief interested members of Congress on its CBW programs, insisting on providing most of the information during the classified portion of the presentation. Most of those who attended the briefing agreed with me that the basic public policy questions remained unanswered. I then addressed a list of such questions to Secretary of Defense Laird, Secretary of State Rogers, Director of the Arms Control and Disarmament Agency Smith, U.S. Ambassador to the United Nations Yost, and presidential advisor Henry Kissenger. Their replies shed some light on our CBW policies and practices, but were far from reassuring and in fact pointed out contradictions between known facts and alleged policy. I became increasingly concerned that the United States had adopted chemical and biological warfare policies without thorough review at top levels in the Pentagon, without the consent of Congress, and removed from the searchlight of public debate. And these policies and practices conflict with the declared position of American Presidents over the past 40 years.

Unnecessary secrecy has caused a serious information gap. Whereas most Americans know about our basic nuclear defense policies, these same informed Americans are totally unaware of our chemical and biological warfare policies and practices. The first use of tear gas in Vietnam caused a minor storm of public opinion but it died down and tear gas is now used in large quantities there. Our arsenals contain not only enormous numbers of nuclear weapons, but also an estimated billion lethal doses of nerve gas. Surely our chemical and biological warfare policies deserve as much attention—from the White House, the public, and from Congress—as our nuclear policies.

It is encouraging to see that the strength of our democracy, defined by President Kennedy as "our great interior dialogue," is being revitalized by a full and searching debate over the merits of the ABM system proposed by President Nixon. Should we not ask the same for our CBW policies: that the American people know the facts and discuss them?

Americans cannot excuse untenable gas and germ warfare policies on the grounds of ignorance. Over-zealous security resulting in imposed ignorance must be remedied. Congress does not leave the final, far-reaching decisions on missiles to the Pentagon, and we must not continue to abdicate our responsibility in the field of chemical and biological warfare. We must bring these activities to light and allow open public debate. And it is fair to ask why Congress did not keep a more careful eye on gas and germ warfare policies and practices.

Our experience in the Korean War illustrates some of the fallacies in our current policies. We say that we might retaliate to a biological warfare attack with biological weapons, yet the military and the State Department went to great lengths during the Korean conflict to offer documented refutation to Communist charges that the UN forces were employing germ warfare. Both were sensitive to the universal world condemnation which would be hurled at any nation which proved to have used germ warfare.

Similarly, our gas warfare policies have been subtly changed during the Vietnamese War. Although the United States did not ratify the Geneva Protocol of 1925, our official position since that time has been full support of its principles. In 1937 President Roosevelt stated that the use of chemical warfare was "inhuman and contrary to what modern civilization should stand for." In 1943, he stated our "no-first-use" policy. And in 1966, we voted in the United Nations to support the principles of the Geneva Protocol.

Yet as early as 1966 American helicopters were dropping tear gas grenades on the Vietcong and North Vietnamese to drive them out of bunkers and foxholes so that B–52 bombing and artillery strikes would be more effective. And we have used powerful chemicals to destroy jungle and crops. It is unworthy of this country to obscure the facts with semantics such as "herbicides, defoliants, and crowd-controlling devices." There is no semantic escape: the use of gas in conjunction with lethal conventional weapons and the use of anti-food and jungle-stripping chemical weapons is clearly chemical warfare.

We also cannot ignore the potential danger to our own population of continued research, storage and transportation of lethal gas and germ agents. The Denver incident in which poison wastes in a deep well caused the first series of earthquakes in the area in 80 years is only one of several testing accidents. The sheep-kill near Dugway Proving Grounds in Utah involving nerve gas was perhaps the most frightening incident. And field tests of biological agents at Dugway and abroad present grave hazards to the animal and human population of Utah, the United States, and the world. Dr. Joshua Lederberg, a Stanford Nobel Laureate, warns that the very testing of biological weapons may be as dangerous as their use.

Only this spring, the Army proposed to move thousands of tons of obsolete poison gas in tanks and bombs across the country by rail, load it aboard ships, and sink the ships at sea. Such a move of more than twenty gas trains involves the very real possibility of a rail accident. The Transportation Safety Board reports a 100 percent increase in derailments in the last decade with the total now exceeding 5000 per year.

Disposal of outmoded poison gas and poison gas weapons also poses a major threat to our population. Even with the extensive precautions which would presumably be taken with the special trains, there is the possibility of the derailment of another train or a collision. If several GB nerve gas bombs were to rupture and cause the death of thousands of people, what consolation would it be that it had been "the other train's fault?"

The Army says that the trains are to avoid population centers as much as possible, but the proposed route includes Indianapolis, Dayton, Philadelphia and Elizabeth, New Jersey. In any case, the danger to one man in an otherwise unpopulated cornfield is just as great as that posed to a large population center. Would the Army accident report then describe "only minimal loss of life"?

The proposed dumping in the high seas also raises the question of contamination of the water and marine life. Might not other countries justifiably resent this pollution of international waters? What have other countries done to dispose of similar surpluses? As of yet, no one seems to be able to supply the answers to these questions. Apparently it was only after I raised the issue that Defense called in oceanographers to get answers. Eleven previous dumpings—at least three of which consisted of poison gas—were evidently carried out by the Army without consulting the State Department, or any other government department or agency. We know that England, France, Germany and the Soviet Union publish charts of their dumping grounds in the ocean as we do—but no one has bothered to find out how they take whatever it is they take to these dumping grounds.

The Army states that sea burial is the best method of disposal, maintaining that they do not have the facilities at the arsenals to decontaminate the poison gas quickly enough. They claim that burning the gas would take 68 months and chemical neutralization would take 59 months. This is contrasted with 3 months for sea burial. But Louis E. Garono, Chief Engineer at Edgewood Arsenal, with responsibility for the Pine Bluff, Arkansas, and Rocky Mountain, Colorado Arsenals, tells my office that it would take only one year to dispose of the excess nerve gas by decontamination and that facilities exist at each arsenal which could be easily expanded, if necessary, at a cost less than that of the rail transport and burial at sea.

It is obvious that there are safer ways to dispose of poison gas than to ship it across country and dump it in the ocean. It is equally obvious that interdepartmental and international cooperation is sorely lacking. But most important is the need for open, informed debate on the public policies that govern our chemical and biological warfare activities. To this end, I have asked President Nixon to resubmit the Geneva Protocol to the United States Senate so that our policies can be reviewed and the Protocol ratified. I have also urged that we support the British proposal to the Eighteen Nation Disarmament Conference—that all production, storage and use of biological warfare be fully banned.

TO RATIFY THE GENEVA PROTOCOL

National policies and practices do not change overnight. The shifts are often slow and subtle. In the case of chemical and biological warfare, I believe that we have begun a shift away from our traditional and correct policy of no-first use. President Coolidge, President Hoover, President Roosevelt, President Eisenhower, General Pershing, Admiral Leahy, and Admiral Nimitz, among others, have all clearly stated that they were opposed to the first-use of these forms of warfare. Yet in Vietnam, we have resorted to chemical warfare first—not after an enemy has used it on us. And there are many in the military who would like to expand our uses to incapacitating gases and incapacitating biologicals. These moves are steps backward in our attempts to limit man's violence toward man. The United States should not—indeed cannot—take the lead in breaking down this ban.

The "no first-use" policy on germ and gas warfare has been officially adopted by the signatories of the 1925 Geneva Protocol. It was observed throughout World War II, has been generally honored by most nations, and is, even today, the only international agreement that has held certain deadly weapons in check during war. It is a building block upon which controls on other weapons of mass destruction can be placed. All Americans who long for a more peaceful and secure world should urge President Nixon to resubmit this document to the United States Senate, and plead with their Senators to belatedly ratify it. The failure of the United States to ratify the protocol along with recent policy changes on chemical and biological warfare have undermined this critical building block. It would be a tragedy for all mankind if it were crushed.

THE PRESIDENT'S DOMESTIC REFORMS

Mr. GOODELL. Mr. President, this week President Nixon has unveiled three proposals that would revolutionize our domestic social programs. These three plans—for welfare reform, job training reform, and revenue sharing—clearly show that the President does not feel bound by the old and worn methods of solving the Nation's pressing problems, and is prepared to move forward with new and imaginative solutions.

Mr. President, I ask unanimous consent to have printed in the RECORD the statements I have made regarding the President's forward-looking proposals.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

GOODELL PRAISES PRESIDENT'S WELFARE MESSAGE

New York Senator Charles E. Goodell said President Nixon's welfare reform proposals represent "a constructive step forward toward creating a fairer welfare system—one that will protect individual dignity, assist the working poor, provide effective job incentives and hold some real hope of reducing the relief rolls.

"Among other beneficial changes, the President's package would for the first time establish national welfare standards with minimum benefit levels; supplement the incomes of the working poor who now are unfairly excluded from Federal relief programs; create stronger incentives for those not on relief to take jobs, by increasing the earnings they may take home without losing their welfare benefits; and establish an expanded day care assistance program that would permit welfare mothers to seek jobs.

"Another far-reaching reform in the President's package is the creation of a system of Federal revenue sharing with states and localities. Since 1959, I have urged Federal revenue sharing as the best method of rectifying the fiscal imbalance that now exists in our system of shared powers and of strengthening the fiscal base of state and local governments. This year, I introduced a 'Federal Revenue Sharing Act' (S. 50); and together with Senator Muskie I sponsored the 'Intergovernmental Revenue Act' (S. 2483), a revenue sharing proposal prepared by the Advisory Committee on Intergovernmental Relations.

"I must express my deep concern, however, with the provisions of the plan that apparently would give the greatest Federal aid to those states that are doing the poorest job of supporting the needy and give the least aid to states like New York that are now providing the most generous welfare benefits. A state such as Mississippi would have its state share cut by as much as 50% under the plan, whereas New York taxpayers seemingly could look forward to only a 10% reduction in New York State's welfare burden."

GOODELL COMMENDS PRESIDENT'S MANPOWER TRAINING INITIATIVES

Senator Charles E. Goodell said today that "President Nixon has shown imaginative leadership in proposing a comprehensive new Manpower Training Act.

"The Manpower Training Act as outlined in the President's Message would help streamline manpower training programs through reducing duplication and fragmentation and eliminating the impediment of

'red tape' which have plagued manpower training programs in the past."

Senator Goodell said he was especially pleased with two of the President's specific recommendations; creation of a comprehensive career development plan and the establishment of a National Computerized Job Bank.

"Manpower training programs which fail to develop the whole person really fail to meet the most important objective of improving a man's contribution to his society. The comprehensive career development plan is designed to accomplish this purpose. As an advocate of a computerized job bank for many years, I am confident that the President's 'job bank' will go far towards matching jobless men with available jobs.

"No doubt the Congress will examine the President's proposal very critically and carefully. It is my hope, however, that the President's proposals will serve to initiate a constructive dialogue as we seek to solve one of our nation's most pressing problems."

THE PRESIDENT'S REVENUE SHARING PLAN IS HAILED BY GOODELL

New York Senator Charles E. Goodell hailed President Nixon's revenue-sharing plan as "an historic step toward strengthening the fiscal base of state and local governments and redressing the growing fiscal imbalance in our Federal system."

Goodell has been a strong advocate of revenue-sharing since 1959, and this year was the sponsor of two major revenue-sharing bills: the Goodell "Federal Revenue-Sharing Act" (S. 50) and the Muskie-Goodell "Intergovernmental Revenue Act" (S. 2483).

The Senator said, "I am particularly gratified by the fact that the President's proposal adopts the same basic concepts as my own bill and the Muskie-Goodell bill. These include:

"Permanent" appropriation of a specified share of the federal tax base for revenue-sharing purposes.

Allocation of this fund among the fifty states on the basis of population and revenue effort.

A mandatory "pass through" of specified amount of each state's allocation to local governments on the basis of the relative rates of state and local taxation in each state.

No Federal strings attached to the use of these funds by states and localities.

Goodell noted that the Muskie-Goodell bill has been referred to the Intergovernmental Relations Subcommittee of the Senate Government Operations Committee, and that hearings will be held on the bill in the third week in September.

"I very much hope," Goodell said, "that these hearings will provide a forum for the exploration of the President's forward-looking proposals.

"By returning to State and municipal governments a stated share of Federal tax revenues without Federal controls, revenue sharing will give greater vigor to states and local governments. It will supplement these governments' local tax base, thus enabling them to strengthen their administrative apparatus, supply better public services, meet pressing social needs more effectively and provide some hope for relief of growing local tax burdens. It can put new life in our Federal system by giving greater emphasis to decentralized decisionmaking, initiative, and innovation."

STUDENT VETERANS NEED A RAISE

Mr. CRANSTON. Mr. President, many Senators have become aware of the inadequacy of the educational assistance allowances presently paid to veterans under the cold war GI bill. On January 16, the distinguished Senator from Texas (Mr. YARBOROUGH) introduced S. 338, which provided for increases of approximately 46 percent in the monthly benefits for veterans enrolled in high school and college courses. I am one of 24 cosponsors of that bill. On June 24, Senator YARBOROUGH and I introduced an amendment to S. 338, extending this increase to allowances for veterans pursuing farm training, on-the-job training, and vocational rehabilitation. The Subcommittee on Veterans' Affairs, of which I am chairman, concluded hearings yesterday on S. 338 and the amendment, as well as eight other bills pertaining to veterans' education, training, and manpower programs—S. 1088, S. 1998, S. 2036, S. 2361, S. 2506, and an amendment to it which I proposed, S. 2668, S. 2700, and H.R. 6808—and will, I hope, act on the proposed legislation shortly after the August adjournment.

Our veterans' organizations have firmly supported proposals to increase the educational assistance allowances to meet the rising costs of education and living. I invite Senators to consider an article entitled "Student Veterans Need a Raise," written by Richard W. Homan, Commander in Chief of the Veterans of Foreign Wars. The article was published in the August, 1969, issue of the VFW magazine, and is an excellent statement of the need for this type of legislation.

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

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

STUDENT VETERANS NEED A RAISE

(By Richard W. Homan)

Inadequate subsistence payments are discouraging thousands of Vietnam veterans from entering college and delays in receiving their allowances are causing others to drop out.

For this reason the V.F.W. is pressing for a substantial increase in monthly payments from the current $130 a month a single veteran presently is receiving, with appropriate boosts for each dependent for married veterans.

Many other national officers of the Veterans of Foreign Wars and I have studied the problems of veterans in our travels to college and university campuses throughout the United States over the past year.

We have concluded that a situation like this is unfortunate for the country and for the young men who have been fighting our fight in Vietnam and manning the barricades of freedom in the four corners of the world.

This is an era of technology and learning in which the race will be won by the best prepared, not the swiftest. The country needs more trained and educated people to maintain its lead over the forces of aggression.

A young veteran on a Midwest campus summed it up like this:

"I have no resentment toward those who went to college, or even rioted while I was in Vietnam, because, tough as it was, I wouldn't have missed the chance for anything—now that I'm back I can say that.

"But frankly, I don't know how I can make out on what we are getting. My wife, Linda, has to work on the side as a typist and we have two small children to look after. I have a job in a gas station after classes.

"When I get home at night, I am so bushed it's all I can do to study and it's tough on Linda, too, because she has to take care of the children, fix supper and do the wash.

"Our parents have been swell and have helped out a lot, but we can't go on much longer sponging off them. I just don't know what I'll do if I don't make it."

Another complaint is that VA checks are slow in arriving, sometimes as much as four months.

On the West Coast, a veteran student said that he had to borrow a "small fortune" from his brother—his parents were dead—just to tide him over until his checks began coming.

"That was pretty tough for a while," he said. "Even after the checks did come, and I paid my brother, I still had to borrow again to make up for what I paid him and the loan company didn't lend the money for nothing."

Last winter in the South another said, "I don't know how some of these guys make out at all. A lot of them have just given up and gone back home. I know I'd have to quit if I weren't single and didn't have parents who were able to help a lot."

Although other types of training, such as apprenticeship, trade school and on-the-job instruction are authorized, most of the young men are enrolling in colleges and universities.

For example, of the 2,760,000 Vietnam Era veterans, 336,748 are in academic institutions, while 184,111 are receiving other types of training, according to VA figures.

This means that 19% of the eligible veterans are taking advantage of the opportunity to improve themselves and 64% of these who do are attending college.

These figures compare with 1,162,000 veterans of World War II who used the original GI Bill to upgrade their education and the 1,338,000 who received other types of training.

There is vital difference, however, between that earlier law and the present one.

Vietnam and Post Korean veterans receive $130 a month, if they are single—a little more than $4 a day—and $175 a month if they are married and have one child.

Unlike World War II veterans, whose maximum $500 for tuition, books and fees was paid directly to the schools, today's veterans must pay all these costs out of their monthly subsistence checks.

World War II veterans at first received $50 a month if single and $75 with dependents, a figure later raised to $75 and $105 with $120 for more than one dependent.

Subsistence rates were raised for Korean veterans, but they had to pay tuition, book, supply and other costs out of their allowances, the same as Vietnam veterans.

Costs and prices had begun rising at the time of the Korean War, but the higher cost of living at that time is hardly comparable to what we are witnessing now.

Cost of education, like everything else, has risen, too.

For example, in 1946–47 tuition and fees for a year in public institutions averaged $125, while in private ones they were $330. The total cost of education in public colleges were $960 and in private schools $1,290.

In 1948–49 tuition had risen to $140, public, and $396, private. Total was $1,010, public, and $1,380 private.

When Korean veterans were forming the second wave of student veterans in 1954–55, total cost of education in public institutions had climbed to $1,190 a year and to $1,700 in private colleges and universities.

Two years later these costs had risen more than $100.

Since then costs have been shooting up rapidly.

Tuition in private institutions now averages $1,436, while in public colleges it is $298. In many major state universities the $298 for tuition is higher, especially for non resident students.

In a private school, board and room that cost $456 a decade ago is now $544 a year, and the figures are only slightly less in a state-supported college.

College costs generally have mirrored the

higher cost of living. According to the Department of Labor's Bureau of Labor Statistics the rise has been 26.4% in the last decade and 5.4% in the last year.

In the past 20 years—since the time when many of the World War II veterans were just about winding up their college careers—the cost of living has gone up 55%.

To ease the burden on the college veteran, a bill has been introduced by Sen. Ralph Yarborough (Texas) that would increase subsistence payments to $190 for a single veteran with no dependents.

The bill would also boost the rates to $215 for one dependent and $235 for two, with another $10 a month for each additional dependent.

Where will the young veterans get the money to pay for their education and support their families—especially those young men who entered the service from high school without having learned a civilian occupation of any kind?

Part time employment may help a little, but hardly supplements the VA subsistence adequately to provide for a family.

The veteran's wife may work, but that means leaving her children in the hands of a stranger, and one who must be paid, too, further reducing spendable income.

In addition, academic standards are now so high, the work so demanding, the competition so keen that time away from studies lessens the chances of successful completion of the courses.

Scholarships and fellowships are inadequate for most students.

The only solution is to provide a substantial increase in VA payments or thousands of returning veterans will wind up in work that promises only a lifetime of drudgery and near poverty because they were unable to upgrade themselves.

The veterans, remember, are the ones who answered their nation's call, while thousands of others stayed behind to go to school, preparing themselves for the good jobs that will be denied the veteran if his current plight is not corrected.

VIETNAM PRISONERS OF WAR

Mr. HART. Mr. President, regardless of what views one holds on the war in Vietnam, people sensitive to the feelings of others cannot help but deplore and condemn the refusal of the Hanoi government to abide by the 1949 Geneva Convention dealing with the treatment of prisoners of war.

The facts are these.

There are more than 1,300 American servicemen who are either prisoners of war or listed as missing in action.

Of that total, we know 346 are prisoners of war. However, we have little information about their health or the quality of the prison camps in which they are held.

There is considerable evidence that these men are receiving poor medical treatment, that some of them have been paraded as propaganda stunts, and that they may be held in isolation from each other.

Of the 978 Americans listed as missing in action, we know nothing.

The families of these men do not know whether the men are dead or alive.

Under the terms of the Geneva Convention, the names of prisoners are to be made public, sick, and wounded prisoners are to be released immediately, prison camps are to be open for impartial inspections, prisoners are to be allowed to send and receive mail regularly, and prisoners are to be treated properly.

The Hanoi government signed the Geneva Convention on June 28, 1957.

Despite being a signatory to that convention, Hanoi has not announced the names of prisoners, has permitted only 100 men to write letters, and only two a year, has not released wounded or sick prisoners, and has not revealed prison camp locations or permitted inspection of the camps.

The result of this inaction has been to put the families of these men, whether the men are known to be prisoners or are listed as missing in action, under a cruel and continuous cloud of uncertainty.

It is not for me to guess what Hanoi hopes to accomplish by this inhumane policy.

However, I can warn the pursuors of such a policy what it will not accomplish.

Such a policy will not strengthen the hand of Hanoi in Paris negotiations. To the contrary, it can only have the opposite effect.

Such a policy can and should create strong opposition throughout the world from those persons who, regardless of their view of the Vietnam war, are deeply disturbed by the brutalizing effects war has on the spirit of man.

It is my hope that governments and people around the world will join in protesting this inhumane policy.

Past experience has shown that Hanoi sometimes reacts to world public opinion.

Let us help generate that world opinion.

And let the word go out loud and clear that all Americans, regardless of party, regardless of their degree of support or lack of support for the war, are united in condemning this policy.

Let Hanoi know that all Americans support fully the efforts of this and the past administration to bring about a change in this inhumane policy.

ADDRESS BY REPRESENTATIVE GILBERT GUDE AT THE DEDICATION OF THE BROOKSIDE ARBORETUM

Mr. MATHIAS. Mr. President, on July 13 my colleague from Maryland, Representative GILBERT GUDE, had the privilege of speaking at the dedication of the Brookside Arboretum in Wheaton Regional Park in Maryland. This new public asset, designed and operated by the Maryland-National Capital Park and Planning Commission, is the first of its kind in Maryland and one of only about 100 in the Nation.

Representative GUDE appropriately addressed himself on this occasion to the obvious importance of the plant world to human health, physical and mental, in this increasingly crowded and clamorous society. He reviewed the contributions of arboretums as parks, as "plant dictionaries," and as classrooms. In keeping with his deep personal commitment to conservation, he called for far greater emphasis on developing the types of plants and trees which can contribute to health, beauty, and balance in urban and suburban areas.

The speech deserves wide attention. I ask unanimous consent that it be printed in the RECORD.

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

TEXT OF SPEECH BY CONGRESSMAN GILBERT GUDE

You have indeed honored me in asking that I dedicate the Brookside Arboretum today. As first of its type in Maryland, it joins a distinguished group of about one hundred arboretums across our great land. My congratulations go to my friends, Chairman W. C. Dutton of the Park and Planning Commission; Vice-Chairman Caroline Freeland; Park Director Jack Hewitt; and Frank Rubini; Landscape Architects Joseph Kondis and Hans Hanses. I congratulate as well the County Council and commend it for its support of this fine project; the Council always has the difficult task of coming up with that "other kind of green"—the tax money to finance such facilities. Finally, my particular congratulations go to the citizens of Montgomery County and Prince Georges County for their great addition to our Maryland part of the National Capital Region.

I know you understand my deep interest in this project from the several hats which I wear in public and private life. I point out the foregoing in order to indicate to you that I have more than just a passing knowledge of this type of institution and what it means to the community.

Recent events here in our Metropolitan Area make me inclined to share with you some observations and thoughts about arboretums in today's society. Specifically, I refer to the proposal presently being considered in the U.S. Senate to have the National Arboretum transformed into housing projects. Although I know the proposers of this amazing plan would say my charge is absurd, they really have stated a clear proposition: there must be a choice made between man and trees, and the trees must go.

I admit that such a proposal is absurd, but those who propose the elimination of the National Arboretum are saying that in so many words. And to my way of thinking, they are demonstrating a real blind spot regarding the basic fundamental needs of people, of American cities in general, and our Nation's Capital in particular.

What about the plant world and man in our 20th century cities, where more than 60% of Americans live? Let's consider some fundamentals regarding plants and man:

1. Plants and their role in man's physical and mental survival.

2. Plants in arboretums and their role in helping man learn means for better living: arboretums as plant dictionaries, if you will.

3. Arboretums as school rooms: arboretums as a teaching resource.

4. Finally, in light of the U.S. situation today, the priorities we must establish in our Agriculture budget: our plant investment must provide the greatest yield in meeting the demands of urban man.

First, with respect to man's physical and mental survival, plants are life-givers. They are massive factories converting carbon dioxide to life-giving oxygen. We require plants to continue the life cycles which are going on in the air and waters around the earth. This Brookside Arboretum, as a part of the regional park, gives an added dose of clean fresh air to Wheaton. And the trees on the 412 acres of the National Arboretum clean up a lot of air for the District.

On the mental side, arboretums as open green areas comprise part of man's protection from himself. Man as an animal requires certain amounts of open space.

The study of the need of animals for open or living space has been entitled "Proximics". Scientists have made an intensive study of Proximics in recent years, and they find that

animals of the same species living too closely together actually become mentally ill. Some go berserk, attack each other, eat their own young; even perversion is manifested among some animals who are forced to live closer than they should to their fellows.

It is interesting that the word "Proximics" is derived from the same word as proximity fuse. You recall in World War II the proximity fuse was developed to automatically explode a bomb when it came within a certain distance of its target. We need to ask ourselves what is the role of Proximics in the terrible explosions we have witnessed in the great American cities during the past few years?

Arboretums, like parks, serve as places where the human spirit can receive the magic therapy of physical separation from other people—a place where man can think and reflect.

But arboretums are more than parks: arboretums are plant dictionaries, and this is my second point. If you want information on Maryland plants or unusual grasses, Jack Hewitt is publishing it right here at Brookside. Arboretums, public and private, all across the country provide specimens and information on plants and trees to make home and factories and city streets better places to live and work. Visitors who otherwise would never have come to Wheaton, Maryland, will come to visit Brookside Arboretum. Every year three-fourths of a million people from all over the world visit the National Arboretum, and you can be sure that as part of tourism it adds welcome tax dollars to the D.C. budget.

In addition to being a plant dictionary open to consultation by any person, arboretums serve as a focus for making new plants. Plant breeding, which has provided a bounty of healthful food from better varieties for the American dinner table, has directed only a small effort to develop better plants for our inner city and suburbs. Of almost 3000 patents for ornamental plants issued to the private sector in forty years, there have been 98 new varieties of shade trees such as new types of maples, poplars, locust and crab apple. This has been the result of the effort of private enterprise. Department of Agriculture Ornamental Breeders have produced with public funds approximately 500 new varieties of all types and they are now public property. But this investment in plant breeding to make the quality of urban and suburban life better is too small.

We must give more support and encouragement to plant breeders both public and private. There should be more work, for example, at the national arboretum to develop better shade trees—trees that can endure the restrictions and confines of city growing and withstand diesase and pests and the baking heat of city sidewalks. Trees are also needed which can better hide the ugliness and give the hint of open space to the drab monotony of concrete.

But arboretums make another invaluable addition toward better urban life, which brings me to my third point: The arboretum serves as a classroom for students from elementary school to college post graduates. The riches of the plant world are available in their growing state. Here the words and figures of the botany text take on new meaning. And there is an opportunity for training disadvantaged young people in gardening and horticulture careers. What a magnificent classroom! The district is not taking full advantage of the classroom opportunities at the national arboretum. And urban America is not getting full credit from our tax investment in agriculture.

Finally, we need to raise in this regard the question of priorities in spending, a question so vital in these days of limited resources and overwhelming need. Our spending priorities in agriculture are out of kilter. We are pouring 3½ billion dollars into farm subsidies alone. The total budget for the Department of Agriculture is 8 billion. Of this, less than 2% is spent on research and only a minute fraction of that is directed to programs of bettering our urban and suburban environment. We in the House of Representatives voted to limit subsidies to individual farms to $20,000 per farm; it seemed to us that that was enough to pay to each farm not to grow crops. The musty, dusty subsidy programs are geared to a national economy of several generations ago. I think it is high time that some of these billions and some of the expertise of the Agriculture Department such as in the Forest Service and the Soil Conservation Service were put into a crash program to better our suburban-urban environment. We have water, soil, turf, and trees to conserve in downtown America, and we've got some blighted areas which need reclamation with parks and plants. Let's not bull-doze our arboretums; rather let's correlate our agricultural spending with the needs of America today!

I am reminded occasionally in this regard of certain organisms studied under the microscope. They grow and flourish for a while but eventually, through their own growth activity, create conditions which cause their own destruction. Certainly we, as intelligent creatures, can plan better. Surely we can better adjust our priorities and goals to acknowledge the areas of real need and work toward their resolution, rather than continue or create conditions which point inevitably to our own self-destruction.

SLUSH FUND TO FIGHT CONSUMER LEGISLATION

Mr. PROXMIRE. Mr. President, I was most dismayed to learn that the National Association of Credit Management is building a slush fund to fight against the Fair Credit Reporting Act now before the Committee on Banking and Currency. This act would permit consumers to correct inaccurate information in their credit files; it would require that consumers be notified whenever adverse items of public record information are entered into their files; it would require that credit bureaus keep such information confidential; and it would require creditors to disclose to consumers that they are being rejected for credit because of an adverse credit report and to indicate the name and address of the credit reporting agency. The bill received strong support from several outstanding legal scholars as well as from the Nixon administration and the President's consumer adviser, Mrs. Virginia Knauer.

It is difficult to see how these elementary principles of fair play can be strongly opposed by the credit industry. Nonetheless, the National Association of Credit Management has mounted a nationwide lobbying campaign to defeat this legislation. The association has even written to its members asking for a minimum contribution of $5 to help kill the fair credit reporting bill.

If every member of the association contributed a minimum of $5, a slush fund of $180,000 would be acquired. It is hard to understand why such a huge sum of money is required to make the association's views known to Congress. The association has already testified before the Senate Banking Committee on the legislation and is ably represented by Washington counsel.

Mr. President, I am confident that the lobbying fund being acquired to fight this legislation will not be effective. I think the Members of the Senate should be warned, however, that they are about to be besieged by high-power lobbyists in a belated attempt to defeat the Fair Credit Reporting Act.

I ask unanimous consent that a letter issued by the National Association of Credit Management on July 22 to its members soliciting funds to defeat pro-consumer legislation be printed in the RECORD.

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

NATIONAL ASSOCIATION OF CREDIT MANAGEMENT,
New York, N.Y., July 22, 1969.

DEAR MEMBER: You are undoubtedly aware that several bills have been introduced in Congress which would, if enacted, severely restrict the exchange of credit data between credit and financial executives and would reduce the amount of information that credit reporting agencies could furnish their subscribers. Compliance with the terms of these bills would make credit management an almost impossible task. Similar bills have been introduced in many state legislatures and have already passed in two states.

NACM has been fighting this legislation on a limited scale on both fronts. At the National level we have encouraged our members to write to members of Congress protesting against the federal bills and on May 22 our Washington representative presented testimony at a hearing on Senator Proxmire's bill, S. 823. Our larger local offices have fought similar legislation in their state capitols. But, this is not enough and we can lose the battle.

To protect your interests against these anti-credit bills we must step up our lobbying in Washington and use the services of lobbyists in those states where we have no local offices or the offices are not financially capable of handling this additional expense.

We do *not* have the funds to adequately fight back at the current anti-credit bills and those which we can expect to be introduced in the future. In recognition of this problem the Board of Directors of NACM, at the San Francisco Convention, unanimously approved the recommendation of the National Legislative Committee for a direct appeal to the members for a Legislative Emergency Fund.

We are asking each member for a minimum contribution of $5.00. The funds will be placed in trust to be used solely for the purpose of combating present and future legislation adverse to the interests of our members.

Please make your contribution *now*. You will be helping us help you. And your contribution is tax deductible. Mail your individual or corporate check to: NACM-Legislative Emergency Fund, 44 East 23rd Street, New York, New York 10010.

Cordially,

ROBERT L. ROPER.

LONG OVERDUE FOCUS ON ALCOHOLISM AND NARCOTICS ABUSE

Mr. CRANSTON. Mr. President, my esteemed colleague on both the Committee on Labor and Public Welfare and the Committee on Banking and Currency, the junior Senator from Iowa (Mr. HUGHES), has embarked upon a most important and most promising venture. As the first chairman of the newly created Special Subcommittee on Alcoholism and

Narcotics of the Labor and Public Welfare Committee, he has already completed 6 days of hearings, 3 days on alcoholism and 3 on drug abuse. This degree of activity is itself remarkable for a special subcommittee chaired by a freshman Senator.

But, of greater significance is the extremely valuable information revealed at these hearings elicited both from widely recognized experts, from the administration and outside it, as well as from individual victims of alcoholism and drug abuse.

In his July 23, 1969, opening statement, Senator HUGHES set the main objectives of his subcommittee as follows:

(1) To dramatize to the Congress and the public the magnitude and urgency of these problems,

(2) To develop new approaches to helping people in our society afflicted by alcoholism and drug abuse, and

(3) To develop legislation that is practical and that is on a realistic financial scale not previously dreamed of by this government.

Although I am not a member of this subcommittee, I have been following its deliberations and have been privileged to sit with it on occasion. Senator HUGHES and I have agreed to work closely together on the question of alcoholism and narcotics abuse within our armed services veteran population in connection with his membership on and my chairmanship of the Veterans' Affairs Subcommittee.

I believe that Senator HUGHES has already gone a long way toward fulfilling his first objective of dramatizing the magnitude and urgency of the afflictions of alcoholism and drug abuse in our society. In his opening statements on these subjects, he has poignantly and with a most refreshing candor outline the pitifully small effort society is making to alleviate these twin curses. He points out that, as a people, we have been willing to spend tens of billions of dollars to lift the spirit of mankind by our soaring to the moon but have been unwilling to commit even the tiniest fraction of that amount to lift men and women out of the gutter—either literally or the gutter of the special degradation which imprisons the alcoholic and the narcotic abuser.

I look forward to the development by the subcommittee of new approaches and legislative solutions to the preventive health, medical treatment, and social implications of these devastating and debilitating afflictions. I am a cosponsor of the Comprehensive Narcotic Addiction and Drug Abuse Care and Control Act of 1969, authored by the distinguished chairman of the Labor and Public Welfare Committee who is also chairman of the Health Subcommittee (Mr. YARBOROUGH). That most commendable bill would authorize a total of $380 million over a 5-year period for research; training of personnel; incentive grants for community treatment and rehabilitation programs; and prevention and education efforts. This sort of approach is grievously overdue in the alcoholism field and I am sure that Senator HUGHES will be moving in that direction. Given the enormous increase in the use of hallucinogens—not only in the younger segment of society—and the continuing excessive pressures toward social drinking, it is intolerable that the Federal Government has done and plans to do only the most token work in this area.

I congratulate Senator HUGHES on the outstanding start he has made with his subcommittee, and I pledge him my support in the vital tasks he is undertaking.

I ask unanimous consent that the full text of Senator HUGHES' excellent statements of July 23 and August 6 be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY SENATOR HAROLD E. HUGHES, CHAIRMAN, SPECIAL SUBCOMMITTEE ON ALCOHOLISM AND NARCOTICS, AT PUBLIC HEARINGS ON ALCOHOLISM, WASHINGTON, D.C., JULY 23, 1969

At the outset, I wish to express my appreciation to the distinguished Chairman of the Committee on Labor and Public Welfare, Senator Yarborough, for commissioning this Special Subcommittee on Alcoholism and Narcotics and for appointing me its chairman.

I also wish to express my esteem for the high caliber of the the members of this subcommittee and my appreciation for their dedication to the urgent tasks we are undertaking.

The hearings beginning today and extending through the next two days will be on alcoholism. On August 6, 7, and 8, the hearings, also here in Washington, will be on narcotics and drug abuse.

This is a new kind of subcommittee. It is, to the best of my knowledge, the first congressional committee exclusively devoted to the cause of helping individual citizens and society gain relief from the human blights of drug and alcohol abuse. Other committees have got into these areas indirectly and principally from the standpoint of law enforcement, rather than health.

With such a charge we have a staggering responsibility. We dare not fail.

The health approach—the business of treating desperately sick people, rehabilitating addicts, preventing the growth of drug abuse and alcoholism—has had a very low place on the totem pole of our public priorities.

But let me tell you this. In the hearts of the people of the United States, these subjects have the highest priority that you can imagine.

We are infinitely proud that we have put men on the moon. But in our stomachs we are sick over the threat of drugs to our children and of the deteriorating effects of alcoholism on our society.

It seems to me that it is essential that this subcommittee, entering this sensitive and all-important field, should have a foundation of fresh information on which to make later decisions.

It also seems to me essential that our approach be open-minded, that we should not begin with pre-formed conclusions. If we go through the routine motions of the past with reference to these problems, it would appear likely that we would simply repeat the failures or inadequacies of the past.

Up to this point, federal action on both alcohol and drug abuse has been the puniest type of tokenism. In the areas where a dollar invested would yield the greatest returns in economic and human value legal tender, we have been unwilling to spend pin money.

The original budget for fiscal 1970 requested a paltry $4 million for community assistance grants for alcoholism programs—for the whole nation! This is like trying to stop the Mississippi River at flood stage with a pebble. But even this token sum was not recommended by the Nixon Administration.

The main objectives of this subcommittee, as I view them, are three-fold. (1) To dramatize to the Congress and the public the magnitude and urgency of these problems, (2) To develop new approaches to helping people in our society afflicted by alcoholism and drug abuse, and (3) To develop legislation that is practical and that is on a realistic financial scale not previously dreamed of by this government.

Everything depends on arousing the Congress and the people to the critical urgency of this problem.

In the past, there has been a tendency to try for drop-in-the-bucket legislation on alcoholism on the theory that "something is better than nothing."

But even pitifully token programs have failed to get through the Congress. I believe the fact that they have been on such an unrealistic dimension has contributed to this failure.

I believe the time has come to "go for broke"—to present the needs on their true scale and urgency.

Alcoholism is an area on which we could spend a fraction of what we are currently spending on any one of a variety of weapon systems we are currently financing. And we could reap the richest kind of harvest in economic savings as well as in the more important dividends of human life and well-being.

I can assure you ladies and gentlemen who have come here to testify this afternoon that you can count on this subcommittee to develop constructive legislation to meet the problems.

This means we must be open-minded to new approaches. This means we cannot settle for window dressing. This means we must disengage ourselves from the old ruts and prejudices of the past.

A century ago, an English author, Samuel Butler, wrote a book about an imaginary, Utopian society called Erewhon.

One practice of this mythical country is particularly worth remembering.

When people got sick, the authorities put them in jail.

We don't have to look to fiction to find this practice. For generations, here in America, we have been putting people suffering from one of our most malignant illnesses in jail without treatment. The custom still goes on.

Periodically, we read of some victim of alcohol abuse dying in jail for lack of medical treatment. This is not a rare occurance. Only occasionally, however, does such an incident get noted in the papers.

I have been deeply involved with the problems of alcoholism—from both a personal and social standpoint—for more than 25 years.

If, at times, I sound like an angry and frustrated man, it is because I am.

I see this great abundant land of ours with resources beyond compare.

I see the wonderful achievements of our science and technology, the miracles of modern medicine, the explosive growth of knowledge in numberless areas, the marvelous exploits of American industry.

But in this vital, accessible area we have fallen flat on our faces. It is a national disgrace.

The next time you see some drunk making a spectacle of himself in public, mark it down that we are the ones who should be ashamed for our gutless failure to meet this problem, not the miserable victim of the affliction.

We have developed the Salk Vaccine; we are making notable progress in cancer treatment and research; we have done wonders in controlling heart disease; we have tamed tuberculosis as a major health problem.

But in this one commonplace, accessible area, we have fallen flat on our faces.

We have failed to make a small dent in the treatment, control, and prevention of a killing illness that is as widespread and as familiar as the common cold.

As a consequence—whether we are willing to admit it or not—alcoholism ranks with heart disease and cancer as one of our most vicious public killers.

If you add to the list of those who are dying of alcohol abuse those who are slaughtered each year on our highways by accidents in which drunkenness is involved; then alcohol would take its place at the top of the list as a public executioner.

But while we have forthrightly met other public health menaces, we are still merely shadow-boxing with this one.

Ladies and gentlemen, it doesn't have to be this way.

There is an aura of hopelessness around our attitude towards the treatment of alcoholism that needs to be exploded right now.

* * * * *

But if a person is suffering from alcoholism, we *know* we can help him.

Therefore the treatment of alcoholism should not be an area of doubt or discouragement, but an area of certainty and optimism.

So I am not discouraged about the fight to control and prevent alcoholism in America.

I am just determined to plow new ground, and extremely impatient with the slow pace of our advancement.

I recognize that this is a time when budget-cutting in the civilian programs of our government, particularly in the HEW areas, is the order of the day.

Nonetheless, I believe the time is ripe to launch and unprecedented, all-out campaign against alcoholism on the massive, realistic scale that is needed.

And if we take this message to the Congress and the people with force and conviction, I am convinced we will succeed.

The battle against liquor abuse is universal and nonpartisan in our society. It cuts across all sectors—rich and poor, young and old, liberals and conservataives, the humble and the high-placed.

If any program has a sound economic rationale, it is this one. For every dollar invested, we can save ten in the ultimate cost to society of alcoholism.

I think we can convince the toughest-minded cynics of this point—if we can get them to listen.

And it is our first job—to get them to listen.

In order to get the show on the road, we must resolve to be openminded to new approaches and willing to gore a few sacred cows as we move along.

To begin with, I believe we have to begin calling things by their right names.

We have too long taken a country club approach to a gutter problem.

We are dealing with a dirty, vicious affliction.

We have glossed it over in order to entice people to seek treatment without the pain of embarrassment.

In the meantime we have dismally failed to communicate the urgency and pervasiveness of the problem.

It is high time that in developing a comprehensive program to combat alcoholism in this country, we direct our attention to the fundamental proposition of *helping sick people get well.*

Research is necessary. Education is essential. But none of it is worth anything *if we fail in the basic problem of helping people recover from this malignant illness.*

And generally, when we do come up with programs, token though they are we have given attention to everything but the patient and the stricken family.

To me this is the most discouraging thing of all about our alcoholism programs. When the surveys and research and other supplementary work have been completed and catalogued and paid for, we suddenly discover that the one thing that has been submerged and forgotten is helping human beings recover from the illness itself.

It won't be easy, but somehow the death grip that respectable social drinking has on our society must be broken.

Perhaps the greatest single contributor to the growth of alcoholism in this country is the fashionable cocktail party.

You either drink or you're not "with it" socially.

So our attitude towards problem-drinking is gutless and whisy-washy.

Let's fight alcoholism, we are saying subconsciously, but let's not be bores and spoilsports and party-poopers about it.

Above all, let's not disturb that comfortable, cozy American institution of the happy hour by admitting that some of our best friends are problem-drinkers who are committing socially acceptable suicide before our eyes.

Another item:

Of our politicians, we must demand tough, substantive action—not the conventional window-dressing we have been getting.

The truth is that the excruciatingly tough, frustrating business of helping drunks dry up doesn't have much glamor as a political issue on either national or local levels.

But we've got to come to grips with realistic programs or we may as well give up the whole cause.

On another point I am going to be painfully blunt because I think it is absolutely necessary to get at the truth.

In my opinion, one of the severe and ridiculous obstacles to getting anything done in the way of combatting alcoholism is the bullheadedness and fruitless wrangling among the various groups and professional disciplines working in the field.

It seems to me that some of the individuals working in this area are more intent on promoting their own particular theories of what should be done than in helping relieve individual human beings and society of this affliction.

I think those of us who are working on alcoholism programs through various professional disciplines and health associations should place as a number one item on our agendas the determination to pool our efforts in the common cause.

The various groups who recognize alcoholism for what it is, and see the terrible cost it exacts from our society in human life, heartsickness and economic waste, have no business working at cross purposes.

We should be able to speak a common language on the subject of alcoholism.

What we have now is a tower of Babel—and this has contributed to the pitiful inadequacy of our efforts against alcoholism.

We can unite effectively if we simply keep our eyes on the main objective—to save and help human beings.

Research for the sake of research leaves me cold.

Programs that are aloof from contact with people suffering from the illness have limited usefulness.

An increasing number of people accept the general proposition that alcoholism is a sickness, rather than a crime, and should not be the object of moral condemnation. But despite this enlightened attitude, when the curse of alcoholism strikes our own families, the old moralistic attitudes are apt to reassert themselves.

When you sift down all of the estimates and conjectures and theories, it is frightening how little hard information we have about alcohol abuse in the United States.

A decade ago, researchers were estimating the number of alcoholics in this country as about five million.

Today, despite the growth of population, they are using the same figures.

In a society in which two thirds or three quarters of our population use alcoholic beverages to some degree, I am convinced that the number of problem drinkers far exceeds anything we have admitted thus far.

Much of our alcoholism goes undetected. For example, one of the fast growing areas of alcoholism may be found in women who do their drinking at home and are not recognized as problem drinkers until the malaise is far advanced.

We have been too polite and restrained about the subject, as I see it. It is time we got angry and blunt. Alcoholism is a dirty, vicious illness that destroys human life and happiness and causes staggering economic waste. It is disgraceful that we have done so little about it thus far. I am convinced that the time is at hand that our society will be willing to face the responsibility of doing a great deal more.

In conclusion, I would like to make a few more observations about the plans of this subcommittee.

In addition to hearings here in Washington, it is our plan to conduct hearings in some of the major cities across the United States.

As indicated earlier, we will get down to the consideration of specific legislation in the near future. I am aware that several of my distinguished colleagues here have bills in which they have a personal interest, and these legislative proposals—and any others that may be advanced—will be given full and fair consideration.

In the meantime, I appreciate your cooperation in these opening hearings which I trust will enable all of the members of the Subcommittee to gain an open-minded overview of the problems before us before we commit ourselves to specific legislative approaches.

OPENING STATEMENT BY SENATOR HAROLD E. HUGHES, CHAIRMAN, SPECIAL SUBCOMMITTEE ON ALCOHOLISM AND NARCOTICS, AT PUBLIC HEARINGS ON NARCOTICS ADDICTION AND DRUG ABUSE, WASHINGTON, D.C., AUGUST 6, 1969

At the beginning, I wish to thank Senator Yarborough, Chairman of the Committee on Labor and Public Welfare, and the other members of this Subcommittee for their help in setting up these hearings and obtaining appropriate witnesses.

I am also grateful to Dr. Yolles, Dr. Cohen, and other staff members of the National Institute of Mental Health for their cooperation and good offices.

The subject of these general hearings—drug abuse and narcotic addiction—poses one of the most alarming threats to our public health and well-being in the history of our nation.

In my view, the need to take effective action against the growth of drug abuse in the United States ranks with Vietnam and poverty and civil rights among our most urgent national priorities.

The issue has a key significance far beyond the physical effect of drugs on those who are currently using or misusing them. It is a symbolic issue, symptomatic of the strange restlessness and malaise we find abroad in our land these days and of the deep-rooted revolt of our young people.

The problem now infects all social levels, regional categories, and age groups of our society. It is growing rapidly and seemingly uncontrollably, particularly among the young.

Everywhere in America, parents are sick and scared about the exposure of their sons and daughters to the illicit use of drugs.

It is a national nightmare.

But the strangest and most frustrating phenomenon of all is that while our private fears about the drug problem reach a fever pitch, our action to meet it on the governmental level is pitifully token and wrong-footed.

Our solution to correct what we have been doing that is wrong seems to be simply "more of the same."

We are dealing with the drug problem in an atmosphere of fear and blindness that can only be compared to our attitude towards witchcraft in the 17th century.

We know more about the craters on Mars than we know about the drug problem.

But what we don't know about the drug problem, the Mafia and other crime syndicates understand very well. Big-time crime reaps huge profits from controlling the illegal drug traffic. Addiction, in turn, is linked to all kinds of criminal acts ranging from mugging to murder.

There is a tendency to regard the drug problem as an isolated phenomenon—which it isn't. It is clear that any long-range solution to drug abuse must involve correcting some of the conditions of poverty and unrest and inequality of opportunity that have provided a setting conducive to drug use and addiction.

In his message to the Congress on July 14, 1969, on "The Drug Problem," President Nixon very clearly outlines how, in the last decade, "the abuse of drugs has grown from essentially a local police problem into a serious national threat to the personal health and safety of millions of Americans."

We are indebted to Mr. Nixon for pointing up the seriousness and magnitude of the problem.

"Between the years of 1960 and 1967," the message states, "juvenile arrests involving the use of drugs rose by almost 800 percent; half of those now being arrested for the illicit use of narcotics are under 21 years of age. New York City alone has records of some 40,000 heroin addicts, and the number rises between 7,000 and 9,000 a year."

The President aptly describes these statistics as "only the tip of an iceberg whose dimensions we can only surmise."

He is also forthright in calling attention to the "dearth of scientific information—and the prevalence of ignorance and misinformation."

In his message, the President mentioned the need for additional programs of research, education, and rehabilitation, rightly stating that "it has been a common oversimplification to consider narcotics addiction, or drug abuse, to be a law enforcement problem alone."

The major part of the Presidential message and the thrust of its recommendations are devoted to tightening up laws and enforcement facilities.

I certainly agree with Mr. Nixon that we need strict enforcement in the drug area and that severe penalties should be applied particularly to pushers—especially the big-time operators.

But given vastly improved and increased law enforcement, we have still gone only a step of the way to meet the drug problem.

For example, the "turned-on" younger generation can't be "turned off" by simply flicking a switch labeled "stiffer prison sentences."

It seems to me farfetched to consider the youngster with the "joint" or marihuana cigarettes to be in the same category as the hardcore heroin addict.

And, for that matter, you surely can't believe that the college kid who passes on some marihuana cigarettes to his friends at a pot party is the same as the Mafia overlord pushing the hard drug traffic in the big cities.

Nor can you fail to understand that if you make the sale of marihuana or LSD not less than five years and not more than 20 years in prison for a first offense and not less than 10 years or more than 40 for a second, you're only compounding our problem. The ones who will get caught are not the big-time pushers but the college kids with "grass" and the wretched addicts in the ghettos who are pushing only to sustain their habit. And the deterrent value of the stiffer sentence is zero.

I am not pleading for any particular program or approach, but simply for open-mindedness and the willingness to admit that we are in a mess and need a fresh start. I am pleading that for the love of Heaven we do something sensible about this problem before it is too late—and it is already terribly late.

I get the feeling that we are so completely hemmed in by the basic misconceptions, handicaps, faults and limitations of our system that we are impotent to take effective action.

Treatment for drug abuse is virtually nonexistent because, in point of fact, addiction is not recognized to be the illness it is.

Under our law, it is a crime.

Research into the causes, treatment and prevention of drug addiction is pitifully lacking—for the same reason.

We are working from a prosecution, rather than a public health, approach.

We are concerned with punishing people, not educating them or healing them.

The tangle of existing laws governing drug use and distribution is hopeless to straighten out because the fundamental premise is wrong—that drug addiction is a crime instead of an illness.

There is no reason that the Alcoholic Anonymous concept shouldn't work with drug addicts as well as it does with alcoholics—and, indeed, there has been encouraging success with such groups as Synanon. But the onus of the criminal association with drugs is a severe obstacle to this kind of therapy in drug addiction.

We can't even communicate with our kids about smoking pot because, under our laws, smoking marihuana and shooting heroin are in the same league, and neither we nor our kids can forget it.

And so we are hemmed in by our basic misconceptions and the rigidities of federal and state laws governing drugs.

We are like a wagon train, completely surrounded by hostile savages. We are going to have to shoot our way out, at some point, if we are to begin making any headway at all against the drug problem.

Secretary Robert Finch was invited to testify here today.

He sent word through his staff that he could not testify at this time because the department had not fully formulated its policy on the drug problem but that he would testify at our next round of hearings, perhaps next month.

I want to say that I appreciate this candor and open-mindedness and am happy that the Department of HEW has not closed its mind on a progressive approach to the drug problem.

We should have learned by this time that excessively harsh laws do not invariably deter people from breaking the law or even improve the possibilities for the authorities to do an effective job of enforcement. If anyone thinks he can effectively reduce marihuana use on college campuses by doubling the penalty for possession; then he is not very well acquainted with today's youth.

With regard to enforcement, officials of the New York State Narcotics Addiction Control Commission estimate that in the United States "not one percent" of those arrested for using soft drugs are convicted—because the penalties provided are so harsh.

The National Crime Commission had this to say about mandatory minimum sentences for drug abuse:

"Mandatory provisions deprive judges and correctional authorities of the ability to base their judgments on the seriousness of the violations and the particular characteristics and potential for rehabilitation of the defender."

I did not come to this committee room with predetermined conclusions about what needs to be done about drug abuse and the illicit traffic in drugs in the United States.

But I believe the least we can do is to try to get at the truth and to base our legislative recommendations on facts—not superstition—and on realistic, reasonable approaches—not a ridiculous repetition of the mistakes we have made in the past.

At a time when millions of American youth, including kids of junior high school age, are on drugs or about to be, it would be criminal to gamble with their lives by refusing to take a sensible, open-minded approach to the drug problem.

I don't fault or discredit anybody's intentions, including those of the blindest advocates of tough and unselective enforcement.

But the time has come to shoot our way out of the fantastic ring of prejudices, misconceptions and half-truths that have surrounded us.

Since the White House Conference of 1963, there have been four major national groups that have made recommendations in the area of drugs and narcotics. They are: The President's Advisory Commission on Narcotics and Drug Abuse, The Cooperative Commission on the Study of Alcoholism, The President's Commission on Law Enforcement and Administration of Justice, and The National Commission on the Causes and Prevention of Violence.

It is my hope that this Subcommittee will explore the recommendations of these committees and commissions and make inquiry as to why so little has been done to implement those recommendations.

Why, instead of following sane and professional recommendations, do we continue with a system that busts up kids' lives, makes treatment of addiction impossible, and over-punishes the nameless, wretched addict or pusher, while channeling easy profits into the hands of the underworld.

The crux of the matter is marihuana. This is where our investigation should start. This is where it is starting.

I don't have an answer to the marihuana problem. I wish the drug didn't exist—just as I wish that other widely used drug, alcohol, didn't exist. But they exist and we need to deal with them in terms of realism, not old wives' mythology.

There has been increasing support in this country for legalization of marihuana. Other informed critics of existing law hold the viewpoint that marihuana should be reclassified under our law with the hallucinogens controlled by the Drug Abuse Control Act which provides much less severe penalties for violations and none at all for possession.

The President's Advisory Commission on Narcotic and Drug Abuse in 1963 reported: "This Commission makes a flat distinction between the two drugs and believes that the unlawful sale or possession of marihuana is a less serious offense than the unlawful sale or possession of an opiate."

Does the use of marihuana lead to violence, aggressive behavior and crime?

Does it alter the basic personality structure?

Is it addictive or does it lead to the use of stronger, addictive drugs?

If legalized, would it become available in this country in a more concentrated and potentially dangerous form?

Does it make sense to put a kid smoking pot in the same felonious category with a heroin addict that is forced to support his habit by robbery and extortion?

These are the kinds of questions that should be put out on the table and discussed

frankly and openly. We have fumbled around in the dark too long.

And somewhere along the line in our unbelievable mishandling of the drug problem, we have lost track of the main objective of all—the redemption of human lives.

We are willing to spend millions for highly publicized, unselective enforcement—but we begrudge a pittance for public health programs devoted to saving human beings.

Eventually, we can hope that the economic rationale of sound rehabilitation and prevention programs will get through the heads of those whose hearts we have been unable to touch with the theme of human compassion.

Dr. Vincent P. Dole of the Rockefeller University in New York, one of the developers of the plan for methadone treatment of heroin addicts, calls attention to the exorbitant cost of the enforcement-without-rehabilitation approach.

He cites the fact that there may be 50,000 addicts in New York City alone and points out that it would take $500 million to get them off the streets with a lock-up system—and "you still would not have solved the problems."

I have taken a longer time to set the stage of these hearings than I intended, but I felt that some basic, blunt points needed to be made.

Obviously, we are limited in what we can accomplish in these first three days of hearings.

But I hope we can accomplish these basic and essential objectives:

(1) I hope we can take a realistic look at the drug problem in its full magnitude, variety, complexity, and critical seriousness.

(2) I hope we can agree that the system relating to drugs that we now have in this country simply won't do. We can't settle for "more of the same."

(3) I hope we can be open-minded and receptive to new approaches to the drug problem. Quite frankly, if we can't we may as well close up the hearings and go home.

(4) With regard to the legal aspects of the drug problem, I am convinced that we need to develop comprehensive, rather than piecemeal legislation. There is a mini-jungle of federal law relating to drugs and narcotics and the treatment approach and the enforcement approach are inextricably tied together. From wherever we start, we get to the central point—that we must revise our basic thinking about drug use and abuse. We must recognize addiction as a sickness, not a crime. And we must understand the social and symbolic significance of youthful drug use. In this realistic setting we must construct workable laws, realizing, all the way, the limitations of trying to use criminal law to legislate morality.

EVERGLADES

Mr. HART. Mr. President, I wish to express my grave concern over the threatened destruction of one of our most beautiful natural resources, the Everglades National Park. The continued existence of this valuable and unique area is presently in serious jeopardy because of the proposed plan of the Department of Transportation and the Dade County Port Authority to construct a large jetport just north of the park boundary. This jetport, which will be designed eventually to provide landing facilities for the supersonic transport, will cover 39 square miles, an area greater than that required for all the runways of Washington National, Kennedy, Los Angeles International, and San Francisco International Airports. Its adverse effects are readily imaginable.

First, the numerous land fills which construction of the jetport, access roads, and the inevitable second generation subdivisions and industrial plants will necessitate, might well cut off a great deal of the water which presently flows into this immense swamp area and sustains its unique ecological system. Since the Everglades Park depends upon undeveloped, privately held, land to the north for its water supply, as this water is choked off, the marshlands of the Everglades will dry up, and many of the basic nutrients will no longer be available for the fish and wildlife which depend for their existence upon them.

Second, problems of pollution will be greatly aggravated. Petroleum products used in and around the jetport and on the access roads will inevitably find their way into the natural drainage system and flow downstream for many miles, contaminating the fresh water supply of the Everglades. Quantities of pesticides, which are presently being used extensively to decontaminate international flights, could also find their way into the Everglades environment with potentially disastrous effects. And sewage and other byproducts of the significant population center which will undoubtedly spring up in and around the jetport could represent one of the greatest long-term obstacles to attempts to preserve the supply of clean water which sustains this swamp area.

Third, air and noise pollution could destroy the distinctive atmosphere of the park. Nine hundred thousand flights a year, the projected operations level for this massive air facility, would dump many thousands of tons of carbon monoxide, nitrogen oxide, hydrocarbons, aldehydes, and particulate matter into the air above the Everglades, and the noise level of the jets at takeoff will be at the threshold of pain at points more than 3 miles from the runway.

Clearly, construction of this jetport could well spell disaster for the 22 endangered species of fish and wildlife which find refuge in the park. And since the extensive marsh area also provides nesting grounds and a food source for many forms of migrating fish and wildlife, the repercussions from any disruption would be felt along the entire East Coast.

Besides imperiling the unique ecological system of the Everglades, the proposed jetport could gravely disrupt the life of the Miccosukee Indians, whose reservation is located in this general area. The source of much of their food might be destroyed, private land developers may drive many of the Indian tradesmen back to the narrow confines of their reservation, and the new economic competition could destroy the economic viability of many tribal enterprises located there.

Nevertheless, despite the very obvious ecological, environmental, and social problems which construction of this jetport at its present proposed location might create, the Department of Transportation has apparently blithely ignored the requirements of section 4(f) of the Department of Transportation Act which declares a national policy of launching a special effort "to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites" and which requires the Secretary of Transportation to consult with the Secretary of Interior in developing transportation plans.

Instead it is moving rapidly to make the proposal an accomplished reality. In the fall of 1968, the Federal Aviation Administration made an initial grant to the Dade County Port Authority of $500,000 to assist it in the planning and development of the jetport. In January 1969, DOT's Office of High Speed Ground Transportation announced a $200,000 grant to Dade County for a planning study in high speed ground transportation between Miami and the jetport. And just last week, DOT announced a grant of $163,202 for lighting runways at the airport. In addition, the Federal Highway Administration is presently considering the routing of the new Interstate 75 in southern Florida. Because of the importance of establishing adequate access to the jetport, the final location of this highway will depend largely on the site of the jetport and vice versa.

As these plans have crystalized, the Department of the Interior has become increasingly concerned about the serious threat which this massive construction program poses for the Everglades and for the welfare of the Miccosukees. As a result, in May of this year, the Associate Solicitor of Parks and Recreation at the Department of the Interior, Mr. Bernard Meyer, prepared a legal memorandum which concluded that the Department of Transportation had violated section 4(f) of the Transportation Act, by failing to consult with Interior over the proposed jetport. Since this memorandum may be of particular interest to Members of the Senate, I ask, unanimous consent that it be printed in the RECORD.

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

MEMORANDUM

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, D.C., May 29, 1969.

To: Solicitor.
From: Associate Solicitor, Parks and Recreation.
Subject: Miami Jetport—Everglades National Park.

In a memorandum of May 22, 1969, the Under Secretary requested the views of the Solicitor's Office on the applicability of section 4(f) of the Department of Transportation Act, 80 Stat. 931, 933 (1966), as amended, 49 U.S.C. 1651, 1653(f) (Supp. III, 1965–67), to the development of a jetport 50 miles west of Miami, Florida, just north of the Everglades National Park, and to the development of an interstate highway and high speed ground transportation corridor, constructed in conjunction with the jetport in order to provide access to jetport facilities.

We have been advised that the Dade County Port Authority has undertaken the initial stages of constructing the jetport, which will be the world's largest—39 square miles. All the runways at Washington National, Kennedy, Los Angeles International and San Francisco International Airports could be constructed within the site of the proposed jetport. (See *Horizons*, vol. 2, No. 23, p. 4, a FAA–DOT publication.) Although the jetport, which is scheduled to go into operation this fall, will be used initially as

a training facility, by the 1970's it is planned to be the SST airport for the southeastern United States with projected flight operations every minute or two on a 24 hour basis. We have also been informed by the National Park Service that the flight patterns, including take offs and landings, will take aircraft directly over Conservation Area 3A of the Central and Southern Florida Flood Control Project and the Everglades National Park.

The jetport will be serviced by a transportation corridor containing an interstate highway and a high speed ground transportation facility within a right-of-way of 900 to 1000 feet wide that will be located either in the north section of the park or in the southern section of Conservation Area 3A.

In the fall of 1968 the Federal Aviation Administration made a grant of $500,000 to the Dade County Port Authority under the provisions of the Federal Airport Act, 60 Stat. 170 (1946), as amended, 49 U.S.C. 1101 (1964), to assist in the initial phase of construction and development of the jetport. *Ibid.* FAA also has the responsibility for determining whether the jetport should be made operational, even as a training facility.

In January of 1969, the Office of High Speed Ground Transportation of the Department of Transportation announced a $200,000 grant to Dade County, Florida, for the purpose of a planning study on high speed ground transportation between Miami and the jetport, pursuant to the Act of September 30, 1965, 79 Stat. 893, 49 U.S.C. 1631 (Supp. III, 1965), which is a program responsibility transferred to the Secretary of Transportation under section 6(a)(2) of the Department of Transportation Act, *supra.*, 49 U.S.C. 1655(a)(2) (Supp. III, 1965–67).

The location of the interstate highway in the transportation corridor falls under the direction of the Federal Highway Administration pursuant to the interstate highway and Federal-aid to highway programs as set forth in Title 23 of the United States Code.

In view of the fact that this comprehensive program for the development of transportation facilities in southern Florida falls within the administrative responsibilities of the Secretary of Transportation, the provisions of the act establishing the Department of Transportation are directly applicable.

Section 2(b)(2) of that act provides:

"It is hereby declared to the national policy that special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands, wildlife and waterfowl refuges, and historic sites. 49 U.S.C. 1951(b)(2) (Supp. III, 1965–67)."

Section 4(f) of the Department of Transportation Act, which was amended by section 18(b) of the Federal-Aid to Highway Act of 1968, 82 Stat. 815, provides:

"(f) It is hereby declared to be the national policy that special effort should be made to preserve the natural beauty of the countryside and public park and recreation lands wildlife and waterfowl refuges, and historic sites. The Secretary of Transportation shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed. After the effective date of the Federal-Aid Highway Act of 1968, the Secretary shall not approve any program or project which requires the use of any publicly owned land from a public park, recreation area, or wildlife and waterfowl refuge of national, State, or local significance as determined by the Federal, State, or local officials having jurisdiction thereof, or any land from an historic site of national, State, or local significance as so determined by such officials unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational area, wildlife and waterfowl refuge, or historic site resulting from such use."

The opening sentence of section 4(f) declares as a national policy that a "special effort" should be made to preserve public park and recreation lands. This sentence, in our judgment, places an affirmation obligation on the Department of Transportation to make a "special effort" to preserve the Everglades National Park from all damage to park values which may result from the development of the jetport and the transportation corridor. See *Udal* v. *Federal Power Commission*, 387 U.S. 428 (1967), *Scenic Hudson Preservation Conference* v. *Federal Power Commission*, 354 F. 2d 608 (2nd Cir., 1965), cert. den. 384 U.S. 941 (1966).

Similarly, in our opinion, the Department of Transportation ought to make the same "special effort" to preserve Conservation Area 3A. This area is managed by the Florida Game and Fresh Water Fish Commission for hunting and fishing and by the Central and Southern Florida Control District for recreational purposes. This area is used by approximately one million persons per year. (H.R. Doc. 369, 90th Cong., 2nd Sess., p. 34). As a part of the modification of the Corps of Engineers Central and Southern Florida Flood Control Project the report of the Chief of Engineers noted that over 6 million dollars in the project authorization were for the improvement of recreational facilities and features of the project, which includes Conservation Area 3A, and over 4 million dollars in recreational benefits were attributed to the modification of the project. *Ibid.*, pp. 69 and 79. Not only the Federal and State investment in this area, but also the heavy public recreational use of the area qualifies Conservation Area 3A as a recreation area worthy of preservation and protection under section 4(f).

The second sentence of section 4(f) requires the Secretary of Transportation to cooperate and consult with this Department in the developing transportation plans and programs which include measures to maintain and enhance the natural beauty of the lands traversed. Insofar as the transportation corridor will traverse the park and/or Conservation Area 3A, this provision is, in our view, also applicable to the proposed jetport and transportation corridor.

The last sentence of section 4(f) provides that after August 23, 1968, the Secretary of Transportation shall not approve any project or program which requires the use of any publicly owned lands from a public park or recreation area of national, State or local significance, as determined by the officials having jurisdiction over the area, unless there is no feasible and prudent alternative and such program includes all possible planning to minimize harm. These conditions precedent, which apply to all programs or projects of the Department of Transportation, including those receiving federal financial assistance as well as those which are a direct program activity of the Department of Transportation, were set forth in a more stringent form in the original section 4(f). Because we have been advised by the National Park Service that the jetport grant was approved in the fall of 1968 and that the high speed ground transportation grant was approved in January 1969, we have limited our inquiry to the applicability of 4(f), as amended in 1968.

Initially it should be noted that the Department of Transportation is under a specific Congressional directive by the use of the word "shall" in section 4(f). By stating that the Secretary shall not approve a project until certain conditions have first been met, Congress was not being merely suggestive, but rather giving a mandatory directive. See *Jack Stone Company* v. *United States*, 344 F. 2d 370, 374 (Ct. Cl., 1965).

In view of the fact that the transportation corridor will use the northern section of the park and/or the southern section of Conservation Area 3A, the Department of Transportation is directly concerned with projects and programs which require the use of publicly owned lands of a park of great national importance and a significant recreation area. There should be no question about the public park status and national significance of the Everglades National Park. Congress established the park by the Act of May 30, 1934, 48 Stat. 816, as amended, 16 U.S.C. 410, for preservation as wilderness.

As previously discussed Conservation Area 3A is a heavily used public recreation area. There should be no question about its local and State significance, considering the scope of the State and federal investment in the area. This significance has been expressed numerous times by the Chairman of the Central and Southern Florida Flood Control District, which is the State agency responsible for the management of the flood control project including Conservation Area 3A.

Furthermore the overflights of the park and Conservation Area 3A by aircraft landing and taking off from the jetport may involve the "use" of both park and recreation lands. These overflights, if sufficiently low and frequent, could involve a taking of property rights through navigational easements or servitudes. *Griggs* v. *Allegheny County*, 369 U.S. 84 (1962), *United States* v. *Causby*, 328 U.S. 256 (1946). See also *Martin* v. *Port of Seattle*, 391 P. 2d 540 (Wash. 1964), *Hillsborough County Aviation Authority* v. *Benitez*, 200 So. 2nd 194 (Fla. 1967), *City of Jacksonville* v. *Schurmann*, 167 So. 2nd 95 (Fla. 1964), *Thronburg* v. *Port of Portland*, 376 P. 2d 100 (Ore. 1962). Although the issue is not completely free from controversy, this office would view the term "use" as it appears in section 4(f) to be sufficiently broad in meaning and scope, considering the benefit to be derived from the statute, to include overflights of such a level that a private landowner would be entitled to compensation for a taking of a property right. The term "use" does not, in our judgment, have to be limited exclusively to actual physical use, but could include a constructive use which operates to limit or prevent use of the park or conservation of lands by the public for their intended purposes.

We have been advised by the National Park Service that certain agencies of the Department of Transportation do not consider section 4(f) as applying to their basic programs. For example, FAA has questioned the applicability of section 4(f) to any decision to open the jetport as a training facility. We disagree with such a limited interpretation.

In our judgment, the requirements of 4(f) apply to all programs of the new Department of Transportation and modifying the existing statutory authorities of the programs transferred to the control of the Secretary of Transportation. These programs are now subject to the additional statutory consideration required by section 4(f).

It follows, therefore, that under the Congressional directive of section 4(f) the Department of Transportation could not approve assistance to the jetport, high speed ground transportation, or highways, and could not allow the jetport to open even as a training facility, unless the conditions precedent of section 4(f) have been met, i.e., a determination by that Department that there is no feasible and prudent alternative to the whole airport development complex and that the program includes all possible planning to minimize harm.

We also view the requirements of 4(f) as an affirmative obligation on the part of the Department of Transportation, requiring an indepth and comprehensive study. *Udall* v. *Federal Power Commission, supra.*,

Scenic Hudson Preservation Conference v. *Federal Power Commission, supra.* See also *Outagamie County, Wisc.* v. *C.A.B.*, 355 F. 2d 900, 907 (7th Cir. 1966), *City of Pittsburgh* v. *F.P.C.*, 237 F. 2d 741 (D.C. Cir., 1956).

In order to meet these requirements, the Secretary of Transportation must consider, among other things, alternative site locations, the threat of noise pollution, pollution of the park's water supply from jet exhaust and the municipal sewage, air pollution from jet exhaust, further disruption of the park's water supply through accelerated run off, damage to the recreational features and use of Conservation Area 3A, and the serious damage to the wilderness character of the park, before he can implement or carry into effect any project or program under his administation involving the jetpot and transportation corridor.

We find nothing in the legislative history of this act which is contrary to these conclusions or supports a more restrictive interpretation of section 4(f). (See H. Rept. 2236, 89th Cong., 2nd Sess. p. 25, S. Rept. 1659, 89th Cong. 2nd Sess. pp. 5 and 22, H. Rept. 1799, 90th Cong., 2nd Sess. p. 31, S. Rept. 1340, 90th Cong., 2nd Sess. p. 18).

Section 4(f) was intended by Congress to accomplish a very significant objective—a coordinated approach to all affected federal programs which in the past have not been coordinated. In order to minimize adverse affects and duplication, waste of federal and State funds, and conflicting and incompatible programs on objectives resulting from transportation programs, the Secretary of Transportation was required to undertake a variety of pre-program and pre-grant studies and investigations, including consultation and cooperation with the heads of certain named departments, in order to assure that his program responsibilities do not frustrate the program objectives of other agencies of the federal and State governments. The threat to the Everglades National Park and Conservation Area 3A results from the failure of the Department of Transportation to comply, as of the present time, with the requirements of section 4(f) as they apply to its activities in connection with the Miami jetport and the related transportation corridor.

BERNARD R. MEYER.

Mr. HART. Mr. President, on May 26 of this year, I wrote to Secretary Volpe expressing my grave concern over the proposed location of the jetport and requesting him to review the Department's plans. A month later, following the announcement by President Nixon that Dr. Lee DuBridge would be responsible for coordinating the environmental programs of the various departments in the executive branch, I wrote him suggesting that he might quickly and forcefully establish his interest in conservation and the environment by resolving the differences which exist over this project between Transportation and Interior in a manner which would preserve the Everglades. I was disappointed to receive a two paragraph response from Dr. DuBridge a week later, which merely said that the two Departments were studying the project and that he would follow the course of their study with interest. It would appear that Dr. DuBridge has little real opportunity or interest in moving aggressively to deal with environmental problems. His answer suggests either that he has only limited authority to act or that the designation of his office as the coordinating branch for environmental quality problems was little more than a public relations ploy.

The following day, however, I received a more detailed response from Mr. James Beggs, the Undersecretary of Transportation. Mr. Beggs, who interestingly never referred to DOT's participation in any joint study, acknowledged that the present training site which is under construction north of the Everglades could well become the major jetport for southern Florida by the late 1970's. To justify DOT's selection of this site, Mr. Beggs commented that the Department had considered and rejected four other alternatives which he briefly described.

An examination of the location of these alternative sites indicates, however, that three of them would have been even closer to the Everglades National Park than the presently proposed site, and the fourth alternative would be adjacent to the existing site. All the alternatives were located in the same general vicinity, and none represented a realistic attempt to deal with the environmental problems which would accompany construction of the proposed jetport. Mr. Beggs rightfully suggests, in a magnificant understatement, that it will be a challenge to develop "imaginative approaches to protect the existing environmental values" before the major jetport is completed. He further acknowledges that the critical problem will be the potential population buildup near the airport's boundaries, but he provides no assurances that this problem can be avoided. He merely expresses a hope that State and local governments will be able to control this development. This letter provides me with little reassurance, for it would seem to be considerably easier and less risky for the Department to employ its "imagination" in seeking alternative sites for the jetport rather than in relying on future breakthroughs for the preservation of the distinctive environment of the Everglades.

Discussing alternatives seems to be particularly important at this time since several persons have identified at least two alternative sites which might be suitable for use as a major air facility, and which would not cause the tremendous environmental disruption which could be produced by the presently proposed airport. One of these alternatives is some game lands owned by the State of Florida which are located just north of conservation area No. 3 and are adjacent to some poor agricultural land. This site is quite far removed from air traffic and from the Everglades National Park. Yet these State game lands are only about 10 miles further from Miami than the land now being developed as a jetport by the Dade County Port Authority—a difference of only a few minutes on a high-speed expressway, and a negligible difference with high-speed ground transportation. In addition, since these lands are already owned by the State of Florida, it might be possible to negotiate an exchange with the Dade County Port Authority for the lands which are presently held for the jetport's construction—lands, incidentally, which are richer in game than the present State-owned tract. Existing Highways 27 and 84 could be improved to serve as routes for an expressway, and levees in the water control district could furnish a right-of-way for high-speed ground transportation to Miami. Since this alternative site is appreciably closer to other central and southern Florida population centers, such as West Palm Beach and Fort Lauderdale, it would provide better service for the entire south Florida region. Finally, the alternative site would not disrupt the life of the Miccosukee Indians.

Another alternative site exists in State conservation area 2B. Although this site would be on State-owned conservation land, the disruption caused by locating a jetport here would not be as great as that which would be caused by constructing it just north of the Everglades. Moreover, this site would be considerably closer to the population centers along the east coast of Florida than either of the other two sites. Although this tract of land, which was used as a bombing range during World War II, is slightly smaller than the area presently earmarked for the jetport, it probably would be suitable for use.

While certain interests of Dade County might explain some of the reluctance to relocate the jetport, the national interest in preserving this area for the enjoyment of present and future generations of Americans should certainly take precedence in this case. Unfortunately, however, officials at the Department of Transportation appear to have never seriously considered persuading the Dade County Port Authority to move the jetport to either of these alternative locations. Yet two State officials who testified at recent hearings before Senator JACKSON'S Interior Committee on this subject acknowledged that either of these sites would be an acceptable, and probably preferable, alternative to the existing location.

Mr. Nathaniel Reed, special assistant to the Governor of Florida stated:

Unfortunately when the port authority picked this location, to my knowledge they made no serious effort to bring the agencies of conservation in the State of Florida into any depth of consideration on this site.

Had they, I would be willing to say that other sites with less ecological impact could have been found. I can think of at least two, and possibly more, but before we do it, sir—before we knew it, sir, that field was there.

And Mr. Robert Padrick, chairman of the Central and Southern Florida Flood Control District, in the following exchange with Senator NELSON also mentioned these sites:

Senator NELSON. Are you aware of any other alternative airport sites to the current one?

Mr. PADRICK. Yes, sir.

Senator NELSON. What would they be?

Mr. PADRICK. The ones you discussed this morning have been suggested. Again I am no expert on airports. I found that out when I got into this thing, but the one just north of conservation area 3 [, and] very reluctantly area 2B. We like to consider that as our conservation area, but that would be for a determination other than our Board, sir.

Planning officials from the Dade County Port Authority merely indicated that locating the jetport at either of these alternative sites was "a new idea" which they had not considered.

Mr. President, it seems clear to me

from my correspondence with Secretary Volpe that the Department of Transportation is not at this time going to consider a meaningful alternative site for this jetport unless outside pressure mounts, forces reconsideration of the present plan. The importance of preserving this invaluable and unique resource dictated that the application of this pressure should be a matter of highest priority. I, therefore, will take the following action.

First, I urge today that all concerned citizens, conservation groups, and other parties interested in the preservation of the Everglades, write to President Nixon and Secretary Volpe protesting the present location of this jetport.

Second, I shall propose an amendment to the Department of Transportation appropriations bill which would prohibit the expenditure of any moneys for the further development of the present jetport site or for planning high speed ground or highway access to this airport, and I am pleased that the able junior Senator from Wisconsin (Mr. NELSON), will join me in offering this amendment.

Third, I shall discuss with Chairman MAGNUSON of the Commerce Committee the possibility of shedding oversight hearings to determine whether the Department of Transportation is abiding by the provisions of section 4(f) of the Department of Transportation Act.

Finally, I suggest other Members of the Senate to join me in expressing concern over the shortsighted policy which has created this problem, and I solicit support in a common fight to force the relocation of this massive air facility and to save the Everglades.

Mr. President, I ask unanimous consent that a copy of my exchange of correspondence with Secretary Volpe and Dr. DuBridge appear in the RECORD at the conclusion of these remarks.

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

MAY 26, 1969.

The Honorable JOHN A. VOLPE,
Secretary of Transportation,
Washington, D.C.

DEAR SECRETARY VOLPE: Recently several newspapers have carried articles discussing a proposed plan for the construction of a jetport just north of the Everglades National Park. There is little doubt in the minds of most people concerned about the conservation of our diminishing natural resources, that this jetport could jeopardize the continued survival of many forms of wildlife found only in this beautiful national park.

The numerous land fills which construction of the jetport, access roads, and the inevitable second generation subdivisions and industrial plants would necessitate, might well cut off a great deal of the water which presently flows into this immense swamp area. Between this reduction of the water supply and the increased pollution by petroleum products, which will be used in and around the jetport; pesticides, which are apparently used extensively to decontaminate international flights; and sewage and other by-products of a large population center; the entire ecological system of the Everglades may be gravely endangered. And since this extensive marsh area also provides food for many forms of fish and wildlife which migrate great distances, the repercussions from this disruption might be felt along the entire East coast.

As Chairman of the Commerce Committee's Subcommittee on Energy, Natural Resources, and the Environment, I earnestly request you to consider carefully the proposed location for this jetport. It is difficult for me to believe that the need for this new air facility could possibly justify the potential destruction of this irreplaceable natural resource.

Sincerely,

PHILIP A. HART,
Chairman, Subcommittee on Energy, Natural Resources and the Environment.

OFFICE OF THE SECRETARY
OF TRANSPORTATION,
Washington, D.C., June 2, 1969.

Hon. PHILIP A. HART,
Chairman, Subcommittee on Energy, Natural Resources and the Environment, U.S. Senate, Washington, D.C.

DEAR SENATOR HART: The Secretary has asked that I thank you for your letter of May 26 concerning construction of a jetport north of Everglades National Park, Florida.

This is receiving the Department's attention, and you will receive a reply in the near future.

Sincerely,

A. B. VIRKLER LEGATE,
Executive Secretary.

JUNE 26, 1969.

Dr. LEE A. DUBRIDGE,
Director, Office of Science and Technology, Executive Office of the President, Washington, D.C.

DEAR DR. DUBRIDGE: The recent announcement by the President that you will be responsible for coordinating the programs of the various Governmental Departments which affect the quality of our environment is extremely encouraging. For some time we have needed an adequate overview of environmental problems in the Executive Branch, and I hope that your office will receive strong support from the President in developing a progressive and consistent Federal policy in this area.

An environmental problem of regional but great importance to which your office might give its immediate attention is the recent proposal by the Department of Transportation to construct a jetport just north of the Everglades National Park. There is little question that this proposed facility, which will cover 39 square miles of land, will have a serious adverse effect upon the Everglades, both by reducing the quantity of water which sustains this immense swamp area, and by greatly increasing air, water, and noise pollution in the Park. Since the Everglades serve as a source of food for many forms of fish and wildlife which migrate great distances, the repercussions from this disruption might be felt along the entire East coast.

Already, however, the Department of Transportation is moving quickly to make this proposal an accomplished fact. In the fall of 1968 the Federal Aviation Administration made an initial grant to the Dade County Port Authority of $500,000 to assist it in the planning and development of the jetport. In January, 1969, DOT's Office of High Speed Ground Transportation announced a $200,000 grant to Dade County for a planning study on high speed ground transportation between Miami and the jetport. In addition, the Federal Highway Administration is presently considering the routing of the new interstate 75 in southern Florida. Because of the importance of establishing adequate access to the jetport, the final location of this highway will depend largely on the site of the jetport and vice versa.

The Department of the Interior on several occasions has expressed its grave concern over the serious danger which this massive construction program poses for the fish and wildlife which thrive in the unique environment of the Everglades or depend upon it for their food supply. The Department is also disturbed by the disruption which the project could cause to the life of the Miccosukee Indians whose reservation is located in this general area. Nevertheless, despite the express requirements of Sec. 4(f) of the Department of Transportation Act, which states a national policy of preserving the "nautral beauty of the country side and public park and recreation lands, wildlife and water fowl refuges, and historic sites" and requires consultation with the Department of the Interior in developing transportation plans, the Department of Transportation has apparently never discussed its plans for this project with other agencies and has completely disregarded the recent pleas by conservation groups to seek alternative sites.

Given this apparent conflict between two Departments in the Executive Branch over the appropriate location of this jetport, your office could play an extremely valuable role in resolving this dispute in a manner which would help preserve the valuable ecological system which depends upon the present environment of the Everglades. Politically, the fact that these short-sighted construction plans were inherited from the previous Administration should make your task easier, particularly since there are at least two, apparently acceptable, alternative sites which could be made available. And finally, the fact that this particular environmental problem is one that can be resolved in a short period of time, should make it particularly attractive as an issue upon which your office can cut its teeth.

The threatened destruction of one of our country's most beautiful natural resources should be a matter of extreme importance for all persons concerned with the preservation and improvement in the quality of our environment. I certainly hope that your office will make the relocation of this jetport a matter of highest priority.

Sincerely,

PHILIP A. HART,
Chairman, Subcommittee on Energy, Natural Resources and the Environment.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF SCIENCE AND TECHNOLOGY,
Washington, D.C., July 1, 1969.

Hon. PHILIP A. HART,
Chairman, Subcommittee on Energy, Natural Resources and the Environment, U.S. Senate, Washington, D.C.

DEAR SENATOR HART: Thank you for your June 26 letter commenting on the proposed Miami jetport on the north edge of the Everglades.

You will be glad to know that there is currently underway a joint study by the Departments of the Interior and Transportation to consider the very matters you discuss. This study was mentioned briefly at the first meeting of the Environmental Quality Council. The Council will be following its course with interest.

I do appreciate your concern.

Sincerely,

LEE A. DUBRIDGE,
Director.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 1, 1969.

Hon. PHILIP A. HART,
Chairman, Subcommittee on Energy, Natural Resources and the Environment, U.S. Senate, Washington, D.C.

DEAR SENATOR HART: This is in further response to your letter of 26 May 1969 concerning the new jetport in the Florida Everglades.

Limited development of the airport as an air carrier training and transition facility is underway. A single 10,000-foot runway of east-west alignment is expected to become operational about 1 September 1969. Its pur-

pose will be to accommodate the pilot proficiency training that is now severely taxing Miami International and thus provide relief to that situation. When operational, the facility will require a maintenance and operation staff of approximately a dozen persons, a minimum of protection facilities for their needs, and a tower to control the training flight activity. If training activity grows as it is presently projected for the future, a second runway might become necessary some three to five years later. Its addition, however, will not materially change the character of the airport.

The useful life of Miami International Airport will probably be extended to about 1980 because of the relief to its capacity that will be afforded by the training airport. Beyond that time an additional major airport will be needed to serve the scheduled air traffic of the Greater Miami Area. The training site may very well become such a major facility.

In addition to the present site, four other alternatives were considered within its general vicinity. The first was located within Water Conservation Area No. 3 and was abandoned at the request of the Central and South Florida Flood Control District. A second straddled the Dade-Monroe County Line—south and west of the first site. This was highly satisfactory from a flight viewpoint but was abandoned in conformance with objections raised by the National Park Service. The third was located entirely within Monroe County and was further removed from the Everglades National Park. It was abandoned because of the inability of the two counties to resolve jurisdictional problems. The fourth site considered is the airport's present location. A fifth was under consideration entirely within Dade County, but it again encroached upon Water Conservation Area No. 3. It was abandoned when Collier and Dade Counties reached agreement upon Site No. 4.

In February and March of 1968, the Port Authority received letters from the Florida Board of Conservation, Florida Game and Fresh Water Commission, and the Central and South Florida Flood Control District approving the project.

In view of the State approval from a conservation and water control standpoint and in consideration of the private ownership of the land involved, the FAA entered into a grant agreement for funds under the Federal-aid Airport Program.

Imaginative approaches must be developed to protect the existing environmental values long before this airport is permitted to expand from a training facility to a major air carrier airport. Federal leadership is vital in such action. In this regard, Federal, state, and local governments and the concerned environmental bodies have recently united to provide the guidance necessary to ensure that the needed environmental planning not only takes place but is effective. The ecology subgroup formed by this effort is being chaired by the Atlanta Regional Director of the Bureau of Outdoor Recreation. The Director of the Everglades Park is likewise a member. It is their charge to formulate an action program which inventories the environmental values to be protected and to establish the ecology objectives to be attained through the comprehensive planning effort. Other similar groups are dealing with the area's hydrology, waste control, pollution controls, and other similar environmental factors. We intend to closely observe their progress.

It is our understanding that the airport proper will not inhibit the flow from Water Conservation Area No. 3 to the Park. In any event, the Dade County Port Authority has pledged accomplishment of any and all actions necessary to continue the supply of quality waters from within the airport boundaries to the Park. We will ensure their performance of that action. However, we recognize that the connecting transit corridor might affect the free flow of water to the Park and we will be alert to that requirement.

The critical problem is the potential population buildup northwest of the airport's boundaries. If such development is not effectively planned and stringently controlled by the state and local governments, the free flow of quality water to the upper western reaches of the Park will be adversely affected. This is the obvious area where the Department of Transportation and the Department of Interior must promote effective and positive local government action.

Sincerely,

JAMES M. BEGGS.

THE CONVENTION ON POLITICAL RIGHTS OF WOMEN DOES NOT REQUIRE "ENFORCEMENT"

Mr. PROXMIRE. Mr. President, before Congress adjourns, I wish to extend to Senators an invitation to consider, in the weeks ahead, the Human Rights Conventions. I particularly point out the Convention on the Political Rights of Women.

The point is raised that the United States has enough foreign relations problems without adding more to them. It is argued that we would have to somehow enforce this treaty if another nation did not comply with its terms. Nothing could be further from the truth.

First of all, this treaty is "enforceable" only on its signatories. States which have not ratified the Convention need not fear the imposition of its terms on themselves; nor need the United States fear the responsibility of imposing those terms on others. Second, this Convention is self-executing. Those nations which choose to ratify are indicating, first, their compliance with its terms, and second, that they encourage adoption of the concepts embodied in the Convention by non-signatories. Finally, in the event of a dispute arising between signatories over the interpretation or application of the terms of the treaty, the parties are directed by the Convention to settle between themselves through negotiation.

Still another argument is raised that ratification of the Convention would constitute a violation of States' rights. Again, this simply is not true. In the 14th, 15th, and 19th amendments, we have guaranteed the right to vote and hold Federal office to all of our citizens. The U.S. Supreme Court, in Breedlove against Suttles, 303 U.S. 277,283 (1937), ruled that an amendment "by its own force supersedes inconsistent measures whether Federal or State." Thus, our Constitution, with the rulings of the Supreme Court, precludes the possibility of any inconsistency with the laws governing any individual State.

During the last weeks, I have shown that the arguments raised against the Convention are without firm foundation. I have shown that our history has a strong tradition of equal political rights for women and that we can, constitutionally, ratify this treaty. It is time that we live up to our public professions of interest in human rights. I urge the Senate to take immediate steps to advise and consent to the Convention on the Political Rights of Women.

BICENTENNIAL OF ST. CHARLES, MO.

Mr. EAGLETON. Mr. President, on August 15, the historic city of St. Charles, Mo., will begin a week-long bicentennial celebration. Many exciting activities will take place in St. Charles during the celebration of its 200th anniversary, the highlight being the coronation of the queen at a Bicentennial Cotillion.

St. Charles has indeed played an important role for Missouri and our country. In 1804, the Lewis and Clark Expedition chose St. Charles as the starting point for their important journey.

In the early 1800's, St. Charles served as a major post on the great Santa Fe and Oregon Trails. From 1821–26, St. Charles served as the first State capital of Missouri.

From a small French trading post, St. Charles has grown into a beautiful city of 38,000 citizens. With its historic background, its modern schools, beautiful homes and excellent businesses, St. Charles is truly a wonderful city to live in.

Mr. President, I ask unanimous consent that an article entitled "Experiences of the Early Settlers," published in the Daily Banner News be printed in the RECORD.

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

EXPERIENCES OF THE EARLY SETTLERS

LOG CABINS

The first buildings in the country were not just like the log cabins that immediately succeeded them. The latter required some help and a great deal of labor to build. The very first buildings constructed were a cross between "hoop cabins" and Indian bark huts.

As soon as enough men could be got together for a "cabin raising" then log cabins were the style.

The following is a good description of those old landmarks:

"These were of round logs, notched together at the corners, ribbed with poles and covered with boards split from a tree. A puncheon floor was then laid down, a hole cut in the end and a stick chimney run up. A clapboard door is made, a window is opened by cutting out a hole in the side or end two feet square and finished without glass or transparency. The house is then 'chinked' and 'daubed' with mud. The cabin is now ready to go into. The household and kitchen furniture is now adjusted, and life on the frontier is begun in earnest."

The pioneers spoke of their log cabins with much affection. It may be doubted whether palaces ever sheltered happier hearts than those homely cabins.

A window with sash and glass was a rarity, and was an evidence of wealth and aristocracy which but few could support. Windows were often made with greased paper put over them, which admitted a little light, but more often there was nothing whatever over them, or the cracks between the logs. The doors were fastened with old-fashioned wooden latches, and for a friend, or neighbor, or traveler, the string always hung out, for the pioneers of the West were hospitable and entertained visitors to the best of their ability.

The one-legged bedstead, now a piece of furniture of the past, was made by cutting a stick the proper length, boring holes at one end, one and a half inches in diameter, at right angles, and the same sized holes corresponding with those in the logs of the cabin

the length and breadth desired for the bed, in which are inserted poles.

Upon these poles the clapboards are laid, or linn bark is interwoven consecutively from pole to pole. Upon this primitive structure the bed is laid.

The convenience of a cook stove was not thought of, but instead, the cooking was done by the faithful housewife in pots, kettles or skillets, on and about the big fireplace, and very frequently over and around, too, the distended feet of the legal sovereign of the household, while the latter were indulging in the luxuries of cob-pipe and discussing the probable results of a contemplated deer hunt on the Missouri or Mississippi rivers or some one of their small tributaries.

Rude fireplaces ere built in chimneys composed of mud and sticks, or, at best, undressed stone. These fireplaces served for heating and cooking purposes and for ventilation. Around the cheerful blaze of this fire the meal was prepared and these meals were not so bad, either. They were not such as would tempt an epicure, but such as afforded the most healthful nourishment for a race of people who were driven to the exposure and hardships which were their lot. We hear of few dyspeptics in those days.

Another advantage of these cooking arrangements was that the stovepipe never fell down, and the pioneer was spared being subjected to the most trying of ordeals, and one probably more productive of profanity than any other.

CLOTHING

Primitive garments were woven at home of cotton and linen. Flax was culled and spun into linen. Cotton was raised at home, the children picking out the seeds so that the cotton could be woven. Wool was shorn from the little flocks of sheep which had to be guarded against the wolves and other wild animals. Moccasins or rude boots and shoes were worn, and they were made from leather tanned in the small tan yards. Men also wore britches and shirts of tanned leather, the more illustrious wearing tanned beaver skins. Regal uniforms were imported from New Orleans.

COIN OF THE REALM

The only "coin of the realm" was the Spanish peso, which was cut evenly into four or eight parts called "bits," and was passed as currency. Furs were also used as currency, as was tobacco, bees wax, maple syrup, salt, feathers, bear oil, fish, wood, and lead.

No one, not even an old resident, was permitted to travel in the country more than twenty miles without a passport from the Post Commandant, in which was specifically stated the road to be traveled going and returning. Traveling on Sundays was prohibited.

CHURCH SERVICE

It was mandatory that everyone attend Sunday Church Services, and all affairs of the Territory were conducted at the church door after mass. Decrees, new laws, and ordinances of the Governor General, Lieutenant Governor, and Post Commandant were read.

WOLVES

For many years after pioneers came to what is now known as St. Charles County, the wolves were very numerous, and some pioneers paid their taxes for many years in wolf scalps. At night the howls of these animals were so loud and incessant that to sleep at times was almost impossible.

Often at midnight, all

"At once there rose so wild a yell,
Within that dark and narrow dell,
As all the fiends from heaven that fell,
Had pealed the banner cry of hell."

At such times the whole air seemed to be filled with the vibrations of their most infernal and diabolical music.

The wolf was not only a midnight prowler in the county, but was seen in the daytime, singly or in packs, warily skulking upon the outskirts of a thicket, or sallying cautiously along the open path with a sneaking look of mingled cowardice and cruelty.

The sports and means of recreation were not so numerous and varied among the early settlers as at present, but they were more enjoyable and invigorating than now.

Hunters nowadays would only be too glad to be able to find and enjoy their favorable opportunity for hunting and fishing, and even travel many miles, counting it rare pleasure to spend a few weeks on the watercourses and wild prairies, in hunt and chase and fishing frolics. There were a good many excellent hunters here at an early day, who enjoyed the sport as well as any can at the present day.

Wild animals of almost every species known in the wilds of the West were found in great abundance. The prairies and woods and streams and various bodies of water were all thickly inhabited before the white man came, and for some time afterward. Although the Indians slew many of them, yet the natural law prevailed here as well as elsewhere—"wild men and wild beasts thrive together."

Serpents were to be found in such large numbers, and of such immense size, that some stories told by the early settlers would be incredible were it not for the large array of concurrent testimony, which is to be had from the most authentic sources. Deer, turkeys, ducks, geese, squirrels, and various other kinds of choice game were plentiful, and to be had at the expense of killing only. The fur animals were abundant; such as the otter, beaver, mink, muskrat, raccoon, panther, fox, wolf, wild-cat and bear.

An old resident of the county said that, in 1809, while he was traveling a distance of six miles he saw as many as 73 deer, in herd of from 6 to 10.

PRESIDENT NIXON'S DOMESTIC PROGRAMS

Mr. MATHIAS. Mr. President, viewed in long perspective, the domestic programs unveiled by Presiident Nixon this week could represent a very significant step in the evolution of American Government.

In the short run, the President's recommendations—for comprehensive public welfare reforms, consolidation of manpower training, revenue sharing, and reorganization of OEO—are certain to spark a long, lively public and congressional debate, both over basic concepts and over details.

The President's proposals are grounded in the recognition that the social programs and the financial approaches of the past third of this century are not adequate now, and simply will not serve the needs of the next decade or the coming generation.

Most important and impressive is the President's determination to break the crippling cycle of public welfare, the cycle of poverty, dependency and hopelessness which has proved so oppressive for the poor, so expensive for the taxpayers, and so destructive for American society.

The plan outlined by President Nixon in his message to Congress this week has many attributes:

For the first time it would place a national floor under the income of those families, in every State, who must have public help in order to survive;

It would encourage families to stay together;

It would help those who are now struggling to support their families on jobs with very low incomes;

It would link family assistance to willingness to work or enter a training program, and would provide more realistic economic incentives for poor adults to work;

It would give greater support to day care, both to enable mothers of preschool children to work, and to help those young children during the most important years of their growth and development; and

It would reduce the heavy and rapidly growing financial burdens which the present system imposes on the States and cities.

The Nixon welfare reform program of course is a proposal, not a final product, but it is promising. It recognizes that piecemeal adjustments in the present "system" cannot elminate its basic faults, that fundamental changes are needed, and that basic changes require bold and controversial steps. By proposing such steps, the President has given Congress and the country an agenda to debate and a challenge to act.

I look forward to examining the details of the President's plan, and discussing it and all alternatives with public officials and citizens from throughout the State. For instance, I want to determine precisely how this plan would affect welfare recipients and taxpayers in Maryland and the District of Columbia, where AFDC payments are now higher than the proposed Federal floor of $1,600 per year for a family of four. I want to study closely the procedures suggested for determining eligibility, making assistance payments, and providing social services. I intend to review carefully the new proposals for expanding high-quality day care and manpower training, and to look at the impact of welfare changes upon related programs such as food stamps, medicaid and housing for low-income families.

Equally close study should be given to the President's manpower training program, which appears to be in general accord with proposals I have made for some time to pull together our currently fragmented manpower efforts and give States and cities far more latitude to shape projects and set priorities.

Finally, I trust that prompt attention will also be given to the President's proposed revenue-sharing legislation, which suggests a way to help relieve the fiscal strains of our cities and States, and permit local and State governments to assume greater responsibility for many of the services which they cannot now afford.

TREATMENT CENTER FOR EX-ADDICTS OPENING IN ST. LOUIS

Mr. SYMINGTON. Mr. President, according to the best estimates available, the National Bureau of Narcotics and Dangerous Drugs reports there are over 64,000 Americans who are actively addicted to narcotics. This is an increase of 38 percent in the last 10 years.

Drug use is increasingly prevalent among young Americans. Of the known active addicts, more than half are under 30 years of age, and 2,688 are under 21. These figures emphasize the immediate need for controlling drug traffic and stopping it at its source.

But these figures also present the importance of greater effort to rehabilitate drug addicts—to help them once again find a useful place in society. Prevention and cure are both important.

In this connection, under the sponsorship of the University of Missouri Medical School and its affiliate, the Missouri Institute of Psychiatry, the Missouri Division of Mental Diseases, and the financial contributions of the National Institute of Mental Health, a rehabilitation center for narcotic addicts is being established in St. Louis.

This center will be the third step in a treatment program already in existence. The first two steps are a crisis station and an inpatient hospital "withdrawal" program. Both professional psychiatrists and ex-addicts will help to rehabilitate the patients at the center.

The imagination and coordination of efforts shown in planning this center bode its success. In making its plans for this center St. Louis has profited from experiences of other areas, and it is hoped other major cities will in turn profit from the experiences gained in this St. Louis project to set up similar centers and continue in this direction to improve our vital human resources.

I ask unanimous consent that a press release describing this center in further detail be inserted at this point in the RECORD.

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

TREATMENT CENTER FOR EX-ADDICTS OPENING IN ST. LOUIS

Fashioned somewhat on the success of Daytop Village in New York and Synanon in California, a new rehabilitation center for ex-narcotic addicts is nearing the final planning stages prior to its tentative opening in St. Louis.

Planning for the center began in 1968 when the Missouri Institute of Psychiatry (MIP), an affiliate of the School of Medicine, University of Missouri-Columbia, decided to face head-on the problem of narcotics addiction in the St. Louis area and the state. The project is being carried out in conjunction with the Missouri Division of Mental Diseases.

Opening of the rehabilitation center will mark the beginning of a third stage of the MIP narcotics addiction treatment program which already includes a crisis station and an inpatient hospital "withdrawal" program.

"Ideally, the addicts will visit the crisis station, go to the state hospital for in-patient services, be transferred to the residency center for months of rehabilitation, return to staff the crisis station, and then 'graduate' to society," said Dr. Raymond R. Knowles, director of the MIP treatment project.

Since the initial planning began, more than three-quarters of a million dollars have been awarded for the project by the National Institute of Mental Health, a division of the Department of Health, Education, and Welfare. This includes a recent NIMH award of $461,422.

Additional funds for the project are being provided by the Missouri Division of Mental Diseases. It is matching the project costs on a sliding scale, paying 10 per cent of the first year costs and increasing that support to 50 per cent of costs by the fifth year of the project.

MIP plans to convert a vacant hotel at 5650 Pershing in St. Louis to serve as the residency rehabilitation center, adjacent to an entertainment area called the "DeBaliviere Strip."

"I think it is a proven fact that where similar centers have begun, here and in other cities, the surrounding communities have experienced less drug trafficking in the immediate areas," Dr. Knowles said.

"And by taking what is now a vacant hotel and improving it to serve as our residency rehabilitation center, we will bring physical improvement to an area that is searching for new ways to upgrade itself," he added.

The center will be administered and directed by both a professional medical staff and ex-addicts. A professional psychologist, Roman Catholic priest Father Renee Wilett, will assist the director of the center, longtime ex-addict Rovonder McClain who had previously directed such a center in Chicago.

The MIP center will provide a place for men and women who have kicked the narcotics habit to learn to live without drugs and rehabilitate themselves until they are ready to return to society. Initially, the center would house five to ten residents and eventually house as many as 50, Dr. Knowles said.

Prior to arrival at the center, each resident must meet a rigid standard for being free from drugs. All will have undergone "cold turkey," the experience of withdrawing completely from drugs.

Most will be transferred to the center directly from the inpatient hospital "withdrawal" program at the St. Louis State Hospital where a 10-bed ward has been set up specifically to handle the unique problems of withdrawal.

"In addition to the various kinds of vocational, social, and educational rehabilitation," Dr. Knowles said, "the center will provide a 24-hour-a-day association between ex-addicts who are struggling with the same problems and demonstrating their ability to cope with it."

From the first moment of arrival, discipline will be the responsibility of the ex-addicts themselves, Dr. Knowles said. "Group decisions and pressures will be the means of maintaining a 'clean' and orderly home."

Eventually, some ex-addicts will emerge as leaders at the residency center. After months of staying "clean" from drugs some will staff the crisis station, which has been in partial operation for the past six months.

Located in an inconspicuous storefront office in Gaslight Square, another area of narcotics trafficking in the city, the crisis station provides help, advice, and information to addicts who may come in off the street seeking rehabilitation.

In a sense the crisis station represents the beginning and the end of treatment.

It is a beginning for the addict seeking help for the first time.

But for the ex-addict the crisis station represents a final testing ground before returning to society. By successfully manning the station from 8 a.m. to 10 p.m. seven days a week, ex-addicts show their ability to deal with responsibility and the kinds of problems brought to them by addicts off the street.

"We see this program as a training ground for personnel with which to staff narcotic addiction treatment programs and rehabilitation projects in Kansas City and other areas of the state where trafficking in narcotics is known to be heavy," Dr. Knowles said.

MEETING OUR PLEDGE TO INSURE WHOLESOME MEAT AND POULTRY PRODUCTS

Mr. MONTOYA. Mr. President, I am sure many Senators will recall that at this time 2 years ago the Senate was devoting its time and attention to what was then a problem of concern to all consumers—the problem of the safety and wholesomeness of our meat supply. Our deliberations on that problem were long and—at times—heated. But out of those deliberations came the Wholesome Meat Act of 1967.

A year ago, about this time, we were addressing ourselves to the equally important problem of the safety and wholesomeness of our poultry supply. Our deliberations on that problem brought forth the Wholesome Poultry Products Act of 1968.

Both of these measures were designed to update and strengthen the longstanding Federal meat and poultry inspection programs which over the years have assured the American consumer of a safe and wholesome supply of meat and poultry moving in interstate and foreign commerce. In addition, the new meat and poultry inspection measures incorporated the necessary machinery to extend that assurance to meat and poultry marketed within State boundaries. We considered and debated the new concept that ultimately all meat and poultry made available to consumers should be subjected to the same uniform standard of inspection, assuring all of our consumers of a clean, safe, and wholesome meat and poultry supply whether subject to Federal or State inspection.

I had the privilege of being the chief sponsor of both those measures—the Wholesome Meat Act, and the Wholesome Poultry Products Act. Accordingly, I feel it is appropriate that I take this opportunity to review and comment on developments in these areas of meat and poultry inspection over the 1 and 2 years that have gone by since we passed these two measures.

I will ask at the conclusion of my remarks that a number of materials be printed in the RECORD for the additional information of Senators.

As the principal author of the two legislative proposals, I want to insure that the intent of the acts is carried out without compromise. I believe that these acts are serving as an effective catalyst in bringing into being a Federal-State meat and poultry inspection system that is proving itself to be both sound in its concept and practical in its applications.

Basically—if I may remind the Senate of this scope—the meat and poultry inspection laws we enacted gave the U.S. Department of Agriculture broad powers of enforcement and the necessary authority to more effectively eliminate the shipment of unsafe commerce. But perhaps even more significantly, the Wholesome Meat Act and Wholesome Poultry Products Act provided a foundation on which the individual States could establish and develop their own inspection programs to control the shipment of unsafe meat and poultry within their borders.

As the chief sponsor of these measures, I have both a continuing interest in the progress that is being made under them, and I feel a responsibility to you to monitor that progress. I know that many more of you share my continuing interest, and I feel it is not only appropriate, but very timely, to report to you on the progress

that is being made in the administration of the system which we created.

The U.S. Department of Agriculture has now entered into cooperative Federal-State meat inspection agreements, with a total of 44 States, plus Puerto Rico. These cooperative agreements constitute a first step toward achieving the "at least equal to Federal inspection" status required by the act. Each of these States has a mandatory meat inspection law on its statute books, has a documented plan for developing an effective inspection system, and has taken preliminary steps to implement that system.

Establishment of these cooperative agreements has required active support by the State executive and legislative leaders. For every dollar of the $9.5 million contributed by the Federal Government to aid the States in fiscal 1969, the States themselves had to appropriate a like amount.

In addition to taking advantage of the opportunities to improve their inspection programs through Wholesome Meat Act agreements, many States have availed themselves of additional means for improvement. Thirty-two States have entered into Federal-State meat inspection agreements under provisions of the act to provide for cooperation with States in administration and enforcement of certain Federal laws. Under that authority inspection is provided by federally licensed inspectors, working under Federal supervision, and under the same standards which apply to plants inspected by Federal inspectors.

The States have shared the costs of this type of inspection program on a dollar-for-dollar basis, the same as under the Wholesome Meat Act.

Turning to the Wholesome Poultry Products Act, which is now almost a year old. To date, 10 States have entered into Federal-State cooperative poultry inspection agreements. These States, too, had to have mandatory poultry inspection laws on their books before the agreements could be entered into, and they had to submit documented plans for implementing effective poultry inspection systems. In fiscal year 1969, the States matched total Federal contributions of $110,000 to improve their poultry inspection programs.

A total of eight States have upgraded their poultry inspection programs, by taking advantage of the act to provide for cooperation with States in administration and enforcement of certain Federal laws.

Many States have also taken advantage of the training assistance provided by the Wholesome Meat Act. So far, they have sent about 2,300 State inspectors to USDA training facilities. As more and more State inspectors complete the Federal training program, we come closer and closer to the goal of a single uniform standard of inspection.

What do all these statistics mean for the consumer? What do all these facts and figures mean to those of us in Congress who supported this legislation? The goal that we set when we enacted the Wholesome Meat and Wholesome Poultry Products Act has not yet been achieved. No State has yet been certified as having a meat or poultry inspection system equal to Federal inspection. But many States are on the way in their efforts to reach "at least equal to" status.

I think that we are making progress and while we may not be proceeding as speedily as I or others would hope, the machinery established by the two inspection measures is functioning. For example, prior to enactment of the Wholesome Meat Act, there was little or nothing that the Federal Government could do to provide consumers with protection against unwholesome meat and meat products being processed in intrastate plants. We all remember only too well the reports which came to our attention 2 years ago with respect to the production of unwholesome meat products. We remember only too well the accounts of insects and vermin on cutting tables; rats running across cutting areas in many plants; carcasses in coolers soiled with kill floor contamination; carcasses contaminated with hide, hair and dirt; meat from dead, dying, disabled and diseased animals being sold to consumers; dogs and cats allowed into processing areas; abcessed livers being sold as wholesome meat; and on and on and on. Those of us that were here during the floor debates and the committee hearings can well remember the sickening conditions that existed in many intrastate plants that reminded us of Upton Sinclair's book "The Jungle," which recounted conditions as they existed in the meat industry at the turn of the century.

The conditions that existed in intrastate plants led to the enactment of the Wholesome Meat Act of 1967. That act provided the machinery whereby the Secretary of Agriculture had the responsibility to survey all plants to determine if the provisions of the act were being complied with. The Secretary had no such authority before. What has this meant in terms of insuring the consumers of this Nation wholesome meat products? As part of their surveillance duties, the Department of Agriculture made a survey of non-federally inspected meat plants in 1968 in accordance with the requirements of the Wholesome Meat Act. The survey included about 1,000 plants selected on a statistical sampling basis. During the course of this survey State and Federal inspectors, working as teams, made this survey and identified 40 meat slaughtering and processing plants which were considered to be "hazardous" or possibly endangering public health. I have secured a tabulation showing the names and locations of these plants, the reasons for considering them as "hazards" and the action taken as a result of this determination.

What this data reveals, in and of itself, justifies the enactment of the Wholesome Meat Act of 1967. The fact that the legislation was on the books permitted the Secretary of Agriculture to survey the plants and force the plants to take corrective action. The fact that there are undoubtedly other such plants that the Secretary has not yet surveyed makes it imperative that the Department of Agriculture make a more conscious effort to root these plants out and make them comply with the law or close them down.

Mr. President, I ask unanimous consent to have printed at this point in the Record a tabulation giving the State, the type of operation, the reason for action and the followup action, of the intrastate meatpacking plants identified to state officials as endangering public health as a result of a 1968 survey of such plants pursuant to the Wholesome Meat Act of 1967.

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

INTRASTATE MEATPACKING PLANTS IDENTIFIED TO STATE OFFICIALS AS ENDANGERING PUBLIC HEALTH; GENERALLY AS A RESULT OF THE 1968 SURVEY OF SUCH PLANTS

State	Date State notified	Type of operation	Reason for action	Follow-up action
Arizona	May 29, 1968	Slaughtering (locker plant)	Failure to control insects and vermin. Lack of environmental sanitation. Insanitary handling of meat and meat byproducts.	Corrected.
	do	Slaughtering	Failure to control insects. Insanitary procedures used in manufacturing products. Lack of environmental sanitation.	Do.
	do	do	Failure to control inedible and condemned products. Lack of environmental sanitation. Insanitary procedures used in manufacturing product.	Do.
Connecticut	May 31, 1968	do	Failure to control condemned and diseased carcasses. Spoiled meat byproducts present in cooler.	Closed by State officials.
Delaware	May 25, 1968	Slaughtering and processing	Nonpotable water (contaminated) being used in producing products for human consumption.	Do.
Idaho	May 10, 1968	do	Failure to properly control inedible and condemned products	Corrected.
	do	Slaughtering and sausage processing.	Improper control of inedible and condemned products	Do.
	June 29, 1968	Slaughtering and processing (locker).	Lack of proper environmental sanitation	Do.
	May 10, 1968	Wholesale slaughtering and processing.	Poor environmental sanitation. Lack of control of inedible and condemned products. Insanitary procedures used in manufacturing product.	Do.
	June 29, 1968	Slaughtering and processing (custom).	Lack of proper environmental sanitation	Do.
Illinois	Mar. 27, 1968	Slaughtering	do	Closed by State officials.

INTRASTATE MEATPACKING PLANTS IDENTIFIED TO STATE OFFICIALS AS ENDANGERING PUBLIC HEALTH; GENERALLY AS A RESULT OF THE 1968 SURVEY OF SUCH PLANTS—Continued

State	Date State notified	Type of operation	Reason for action	Follow-up action
Michigan	Mar. 11, 1968	Processing	Lack of proper environmental sanitation	Corrective action taken by State officials. Subsequently the plant requested and was approved for Federal inspection.
	Apr. 3, 1968	Slaughtering and processing	Insanitary handling of product. Lack of proper environmental sanitation	Closed by State officials.
	Apr. 29, 1968	do	Insanitary handling of product. Lack of environmental sanitation. Lack of control of inedible and condemned products.	Corrected.
New Hampshire	July 12, 1968	Slaughtering and retail store	Nonpotable water (contaminated) being used in producing products for human consumption.	Discontinued slaughter operations as a result of State corrective action. Source of water to retail operation converted to new source.
Nebraska	June 3, 1968	Processing	Improper environmental sanitation. Insanitary handling of product	Closed by State officials.
Nevada	do	do	Improper environmental sanitation	Corrected.
	do	Slaughtering and processing	Failure to control condemned and inedible products. Insanitary procedures used in manufacturing products.	Do.
	do	do	do	Do.
	do	Processing	Improper environmental sanitation. Lack of control of condemned and inedible products.	Do.
Pennsylvania	May 21, 1968	Slaughtering	Failure to properly control condemned product	Do.
	do	do	Improper environmental sanitation	Do.
	Aug. 7, 1968	do	do	Closed by State officials, until unsatisfactory conditions corrected. Conditions corrected per memo from State official, dated Aug. 28, 1968.
	do	do	do	Closed by State officials, until unsatisfactory conditions corrected. Conditions corrected per memo from State officials Aug. 26, 1968.
Puerto Rico	July 26, 1968	Processing	Insanitary environment and lack of insect and rodent control	Corrected.
	do	do	do	Do.
	do	Slaughtering	do	Closed by local officials.
	do	do	do	Corrected.
	do	do	do	Do.
	do	do	do	Closed by local officials.
	do	do	do	Do.
	do	do	do	Corrected.
Texas	July 23, 1968	Slaughtering and processing (locker plant).	Improper environmental sanitation. Lack of control of insects and vermin. Failure to control inedible and condemned products.	Closed by State officials.
	Do	Slaughtering and processing	do	Do.
	Aug. 13, 1968	do	Improper environmental sanitation. Lack of control of insects and vermin. Insanitary handling of products.	Corrected. Statei nspection inaugurated.
	do	Slaughtering and processing and retail.	do	Do.
	Aug. 19, 1968	Slaughtering and processing	Improper environmental sanitation. Lack of control of insects and vermin. Failure to control inedible and condemned products. Insanitary handling of products.	Closed by State Officials.
Utah	May 1, 1968	Processing	Lack of control of insects and vermin. Improper environmental sanitation. Insanitary handling of products.	Corrected.
	do	do	Improper environmental sanitation. Insanitary handling of product	Do.
	July 13, 1968	Slaughtering and processing (custom slaughtering and processing).	Lack of proper environmental sanitation	Do.

Mr. MONTOYA. Mr. President, it will be noted that of the 40 plants which were found to be endangering public health, 14 of them were closed down either by local or by State officials. It is disheartening to note that the State and/or local authorities had failed to act on their own to correct these deficiencies. However, consumers now have the protection of the Wholesome Meat and Wholesome Poultry Products Acts that gives the Federal Government authority to survey these intrastate plants and to enforce remedial actions.

It will be noted, Mr. President, that many of the conditions that are shown in this listing of 40 plants are as bad as those we discovered 2 years ago in intrastate meat plants and last year in intrastate poultry plants. Clearly the States have fallen down in their jobs and I intend to hold the Department of Agriculture responsible for seeing that they in turn hold the States' feet to the fire until all intrastate plants are either cleaned up or closed down.

Mr. President, in a day and age when we send men to the moon and protect them against contamination with the most refined technology science has ever devised, there is no excuse whatsoever for contaminated water being used in producing products for human consumption, of failure to control condemned and diseased carcasses, of lack of proper environmental sanitation, and all the other unsanitary conditions and practices that were discovered in these plants.

And this listing of 40 plants is only a small part of the still ugly picture. For example, in my own State of New Mexico, while no plants were found that the Department felt were "hazardous" to human health, my State received a very poor rating. I think the New Mexico Livestock Board which has the responsibility of inspecting meat and poultry plants in the State, was doing a good job with the authority, tools, and appropriations they had at hand. The board needed additional authority from the State house and they have finally secured that authority now that the State has been forced to act pursuant to the Wholesome Meat Act of 1967. The State of New Mexico has, for example, failed to provide a sufficient number of inspectors engaged in the inspection of processed products at the plant operational level. There was not complete assurance that products handled or produced are wholesome or safe; that sanitary environment and equipment are maintained; that accuracy of labeling, product identity, or net contents declarations are adhered to by manufacturers.

Other conditions found in New Mexico included the fact that about 40 percent of locations reviewed were not even reasonably free from nor protected against air pollution; about 50 percent of plants did not have adequate separation of edible and inedible departments; 15 percent of the waste disposal systems were unacceptable; about 65 percent of the plants lacked adequate screens or other needed controls for insect and vermin; operating areas in about 70 percent of plants were not acceptable; about 70 percent of plants did not have adequate lavatories; about 70 percent of plant equipment was not acceptable; staffing in approximately 90 percent of the plants was not adequate; ante mortem inspection facilities in plants surveyed were not acceptable; inspectional procedures were not adequate in most of the plants reviewed; about 95 percent of facilities for controlling inedible and condemned products were not adequate; and, adequate control and denaturing of condemned and inedible products was absent in 95 percent of plants visited.

This, in summary form, was the condition of intrastate plants in New Mexico when the survey was conducted a year ago. It was not anything to be proud of, and even more disturbing is the knowledge that conditions as bad and worse than these existed in other States in their intrastate plants. This is nothing for our State governments to be proud of. They must strive to do more. They must strive to clean up their own houses. We know from experience that the States move slowly in these areas unless prodded. We provided the Department of Agriculture with both the carrot and the stick when we passed the meat and poultry inspection laws. They have been using them as I have reported to you. But there is much more that yet needs being done. We cannot ease up. For that reason, Mr. President, I am asking the Department of Agriculture to supply me with an up-to-date status report of the inspection programs in all States for both poultry and meat. All States have certainly had adequate time to comply with the legislation as far as the Wholesome

Meat Act of 1967 is concerned. The 2-year breathing period is over. They should be in full compliance by now. As for poultry products, the Wholesome Poultry Products Act of 1968 is now a year old. Forty-eight of the 50 States have had a legislative session since enactment of the poultry inspection legislation. They should have had adequate time to pass the necessary State legislation and to comply with the Federal law, but yet only 10 States have entered into Federal-State cooperative poultry inspection agreements. The Department of Agriculture has not surveyed any intrastate poultry plants. I am asking that they do so and report back to me so that I may report to you. Under Secretary of Agriculture J. Phil Campbell is quite familiar with the poultry industry and I am confident he will insure that this survey is brought about promptly and that conditions are corrected if things are not up to par.

In summarizing, I am confident that the Wholesome Meat Act of 1967 and the Wholesome Poultry Products Act of 1968 are paying dividends. Whether progress is proceeding as rapidly as we had hoped for in another question. Any delay in implementing the acts is a delay contributing to unwholesome meat and poultry products reaching the consumers and, therefore, unjustified.

I urge Senators to help the Department of Agriculture to help the consumer by insuring that we appropriate sufficient funds to permit them to carry out this task which we have assigned them, and by helping the Department prod the respective State governments. At the same time, let us here in Congress prod the Department to insure that they carry out their mission.

Judged against the standard we set, I think the progress, while not completely satisfactory, is encouraging. I would have been happier, today, to report more progress. Let me make you a promise that I will continue to watch these programs carefully. Time is running out. These next few days and weeks are highly significant ones in the administration of the Wholesome Meat Act. I am going to stay tightly "on top" of it as well as the Wholesome Poultry Products Act. I might add that the officials at the Department have been most cooperative and I am confident will, with our help and concern, seek complete and immediate compliance with these laws.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a listing of funds paid to States under the Meat and Poultry Inspection Acts during fiscal year 1969; a chart showing meat inspection by State programs and program developments; and a chart showing inspection and operations analyses of intrastate plants; and an article which appeared in the Washington Post on July 7, 1969, and a letter from the Department of Agriculture responding to charges in that article and dated July 28, 1969.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

FUNDS PAID TO STATES, UNDER MEAT AND POULTRY INSPECTION ACTS, FISCAL YEAR 1969

State	Meat		Poultry		Total
	Wholesome Meat Act	Talmadge-Aiken Act	Wholesome Poultry Products Act	Talmadge-Aiken Act	
Alabama	$30,304.18				$30,304.18
Alaska	22,700.00	$1,352.98			24,052.98
Arizona	37,431.52				37,431.52
Arkansas	163,804.50				163,804.50
California	807,464.50	304,946.50	$108,391.50		1,220,802.50
Colorado	118,690.00				118,690.00
Connecticut					
Delaware	50,732.25				50,732.25
District of Columbia	166,528.00				166,528.00
Florida	6,866.50		2,103.00		8,969.50
Georgia	495,528.21	4,954.86			500,483.07
Hawaii	129,209.84				129,209.84
Illinois	1,182,851.50	40,616.32			1,223,467.82
Indiana		10,518.10			10,518.10
Iowa	63,637.50				63,637.50
Kentucky	109,371.22				109,371.22
Louisiana					
Maine					
Maryland	194,055.50				194,055.50
Massachusetts	6,684.86				6,684.86
Michigan	985,361.55	18,399.04			1,003,760.59
Minnesota	3,311.50				3,311.50
Mississippi	249,532.59				249,532.59
Missouri	421,123.09	6,542.20			427,665.22
Montana	43,023.11				43,023.11
Nebraska					
Nevada					
New Hampshire					
New Jersey	$90,005.63				$90,005.63
New Mexico [1]		$99,881.32			99,881.32
New York	1,313,605.00				1,313,605.00
North Carolina	394,878.06	60,919.34			455,797.40
North Dakota					
Ohio	90,654.28	11,985.44			102,639.72
Oklahoma	276,365.12				276,365.12
Oregon	302,410.80				302,410.80
Pennsylvania	417,991.00				417,991.00
Rhode Island	42,104.90				42,104.90
South Carolina	166,534.72	1,554.56			168,089.28
South Dakota	26,280.25				26,280.25
Tennessee	255,881.66	9,459.25			265,340.91
Utah	105,256.97	10,369.46			115,626.43
Vermont	74,386.77				74,386.77
Virgin Islands					
Virginia	153,718.67	133,302.02			287,020.69
Washington	206,744.26	67,493.97			274,238.23
West Virginia	135,252.01				135,252.01
Wisconsin	178,896.00				178,896.00
Wyoming					
Total	9,519,177.95	782,295.36	$110,494.50		
Grand total					10,411,967.81

[1] New Mexico completed a Wholesome Meat Act agreement with USDA June 2, 1969. During July and August of fiscal 1970, New Mexico received $10,390 under the Wholesome Meat Act and $20,172 for meat inspection under the Talmadge-Aiken Act.

MEAT INSPECTION ACTIVITIES BY STATE PROGRAMS AND PROGRAM DEVELOPMENTS

States	Establishments			Personnel															Agreements		Budget
	Number plants of record			Number trained			Number of staff veterinarians						Number of staff inspectors						WMA [2]	TAA [3]	
		Under inspection		USDA consumer protection program		State training programs	Full time			Part time			Full time			Part time			Date signed	Date signed	Total funds expended, calendar year 1963
	Total in State	Dec. 31, 1967	Dec. 31, 1968	Training centers	On-the-job		1967	1968	Est.[1]	1967	1968	Est.[1]	1967	1968	Est.[1]	1967	1968	Est.[1]			
Alabama	145	0	0	0	0	0	1	1	10	21	21	30	19	19	120	1	1	0			(4)
Alaska	17	17	17	0	1	0	2	2	2	1	1	1	0	0	3	0	0	1	1/69	8/68	$63,000
Arizona	140	14	90	0	0	3	1	2	3	7	5	12	14	14	34	1	2	16	1/69	9/68	151,000
Arkansas	200	0	30	19	8	27	1	2	5	1	12	16	2	26	70	0	0	0	7/68	6/68	228,000
California	334	354	334	26	121	137	45	42	47	2	2	2	83	93	119	0	0	0	4/68	2/68	1,812,000
Colorado	250	36	31	12	0	0	1	1	5	26	21	11	1	8	43	26	21	0	6/68	----	126,000
Connecticut	149	138	138	0	0	0	0	0	5	0	0	0	0	1	51	0	12	0	----	----	80,000
Delaware	22	0	22	9	0	0	0	4	4	0	0	0	0	5	7	0	0	0	8/68	----	78,000
Florida	244	238	244	0	39	0	27	27	(4)	0	4	0	80	119	119	0	0	0	----	----	1,101,000
Georgia	402	206	196	15	8	0	2	5	7	53	53	83	84	93	143	0	0	1	6/68	6/68	916,000
Hawaii	91	38	34	1	0	3	7	7	8	0	0	0	13	13	27	2	2	0	9/68	4/68	236,000
Idaho	131	66	63	0	0	2	2	1	8	4	7	20	24	25	76	19	18	27	----	----	235,000
Illinois	745	806	745	109	78	0	7	10	22	200	200	(4)	130	161	210	0	0	0	4/68	2/68	1,743,000
Indiana	412	5	5	17	0	0	0	9	58	0	0	0	0	17	82	0	0	0	----	10/68	596,000
Iowa	655	655	655	3	3	0	7	7	11	48	56	144	4	4	173	0	0	0	----	6/68	270,000
Kansas	301	59	58	0	0	0	4	4	5	40	40	40	3	2	50	1	1	0	----	----	140,000
Kentucky	483	0	0	15	9	16	0	3	22	0	4	35	0	16	83	0	0	0	8/68	11/68	87,000
Louisiana	597	8	7	2	2	0	1	1	8	0	0	25	7	7	125	0	0	0	----	----	25,000
Maine	92	0	0			0	1	1	6	0	0	0	2	2	24	0	0	0	----	----	55,000

Footnotes at end of table.

MEAT INSPECTION ACTIVITIES BY STATE PROGRAMS AND PROGRAM DEVELOPMENTS—Continued

States	Establishments: Number plants of record: Total in State	Under inspection: Dec. 31, 1967	Under inspection: Dec. 31, 1968	Personnel: Number trained: USDA consumer protection program: Training centers	On-the-job	State training programs	Number of staff veterinarians: Full time: 1967	1968	Est.[1]	Part time: 1967	1968	Est.[1]	Number of staff inspectors: Full time: 1967	1968	Est.[1]	Part time: 1967	1968	Est.[1]	Agreements: WMA[2] Date signed	TAA[3] Date signed	Budget[4]: Total funds expended, calendar year 1968
Maryland	140	66	66	4	0	0	7	8	8	0	0	2	12	14	34	0	0	1	7/68	7/68	$233,000
Massachusetts	227	227	227	0	0	0	0	0	14	0	1	0	0	0	68	0	30	0	1/69	1/69	70,000
Michigan	631	220	241	14	26	145	26	28	37	15	10	10	82	104	184	7	3	0	5/68	5/68	1,547,000
Minnesota	526	385	385	1	0	10	0	0	(4)	0	0	0	1	11	287	56	56	0	----	----	108,000
Mississippi	195	16	33	15	17	2	1	1	2	13	19	36	7	42	70	0	0	0	8/68	12/68	400,000
Missouri	500	0	187	3	86	0	1	13	(4)	0	30	35	0	47	88	14	5	0	5/68	3/68	497,000
Montana	85	24	21	0	0	0	5	5	5	9	9	18	7	7	15	0	0	3	12/68	----	152,000
Nebraska	266	295	266	6	6	15	0	1	8	10	12	30	0	3	40	12	13	3	----	----	130,000
Nevada	22	29	29	0	0	0	0	0	(4)	4	4	4	0	0	(4)	7	7	7	----	----	(4)
New Hampshire	15	0	0	0	0	0	0	0	2	0	0	0	0	0	8	0	0	0	----	----	(4)
New Jersey	318	0	0	4	5	0	0	0	(4)	0	5	0	0	4	(4)	0	0	0	7/68	7/68	100,000
New Mexico	149	34	35	0	0	7	0	1	(4)	0	0	0	16	23	32	1	1	1	----	3/68	155,000
New York	770	495	400	9	10	27	31	30	33	0	0	0	104	127	344	0	0	0	4/68	----	3,004,000
North Carolina	212	239	212	9	42	25	11	9	22	49	45	100	88	99	250	6	4	20	5/68	3/68	738,000
North Dakota	198	8	9	0	0	0	0	0	(4)	0	0	0	0	0	(4)	0	0	0	----	----	(4)
Ohio	730	18	21	0	7	0	5	5	35	1	1	0	35	35	276	0	0	0	----	----	297,000
Oklahoma	317	37	41	47	7	0	1	2	6	23	23	27	41	60	98	4	4	3	5/68	5/68	534,000
Oregon	139	87	68	0	3	2	9	8	13	17	17	17	37	34	75	32	31	0	6/68	3/68	588,000
Pennsylvania	897	55	81	5	51	51	11	13	22	0	0	0	0	51	140	0	0	0	7/68	7/68	297,000
Puerto Rico	89	0	0	0	0	0	0	0	(4)	5	5	(4)	0	0	(4)	70	70	(4)	----	----	(4)
Rhode Island	64	64	40	0	0	0	9	0	(4)	0	0	(4)	2	2	6	2	5	0	6/68	9/68	48,000
South Carolina	200	55	106	0	2	20	4	5	8	8	18	25	14	33	38	0	0	0	7/68	5/68	150,000
South Dakota	187	0	0	2	0	0	0	2	3	0	0	2	0	0	28	0	0	0	9/68	----	12,000
Tennessee	190	55	83	19	22	0	0	1	5	1	8	16	25	50	97	0	2	2	5/68	4/68	250,000
Texas	2,220	921	918	2	0	15	18	19	47	13	7	19	181	182	532	1	2	19	----	----	1,229,000
Utah	51	51	51	2	2	19	1	2	2	5	5	7	18	20	25	13	11	13	5/68	3/68	238,000
Vermont	44	24	24	3	2	0	1	2	3	0	0	0	9	11	12	0	0	0	6/68	5/68	80,000
Virginia	200	40	75	19	6	45	7	11	15	0	0	0	25	56	66	0	0	0	11/68	2/68	444,000
Washington	80	57	75	0	35	0	14	27	29	20	4	0	1	8	19	0	1	2	5/68	3/68	448,000
West Virginia	131	122	131	20	4	13	2	2	6	1	6	20	6	20	40	0	0	0	6/68	----	160,000
Wisconsin	636	0	386	48	0	5	0	14	14	0	18	(4)	0	80	80	0	2	2	----	----	1,141,000
Wyoming	99	7	8	1	0	0	1	1	(4)	15	15	(4)	4	5	(4)	2	2	(4)	----	----	62,000
Total	15,925	6,271	6,883	461	602	589	265	339	575	612	688	787	1,181	1,753	4,511	277	306	121	31	28	21,054,000

[1] Estimated for a fully implemented program.
[2] Wholesome Meat Act.
[3] Talmadge-Aiken Act.
[4] Information not available.

INSPECTION AND OPERATIONS ANALYSES OF INTRASTATE PLANTS

[Key to codes used: "AC" acceptable; "MV" minor variations; "MIN" major improvements needed]

State	General facilities: Water supply	Waste disposal	Floors, walls, and ceilings	Insect and vermin control	Operating area (space)	Dry storage	Refrigeration	Plant equipment	Lavatories	Welfare facilities	Personal hygiene (plant employees)	Control of inedible and condemned material: Facilities	Inspection procedures	Ante-mortem inspection: Facilities	Inspection procedures	Post-mortem inspection: Lighting	Sterilizers	Lavatories	Inspection equipment	Edible product containers	Inspection procedures	Use of approved materials	Establishment's responsibility: Product identification	Examination of raw materials	Processing inspection procedures: Maintain product identification	Label and ingredients control	Sanitation	Reinspection procedures
Alabama	MV	MV	MV	MIN	MV	MV	MV	MV	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Alaska	AC	AC	AC	AC	AC	MV	AC	AC	AC	AC	AC	AC	MV	AC	MV	MIN	MV	AC	MV	MV	MIN	MV	MV	MV	AC	MV	AC	MIN
Arizona	AC	MV	MV	MIN	MV	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MV	AC	MIN	MIN	MIN	(1)	(1)	(1)	(1)
Arkansas	AC	AC	MIN	MV	AC	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
California	AC	AC	AC	AC	MV	MV	AC	AC	MV	MV	AC	AC	MV	AC	MV	MIN	AC	AC	AC	AC	MV	MV	MIN	MV	MV	AC	AC	MIN
Colorado	AC	AC	MIN	AC	AC	AC	AC	MIN	AC	AC	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Connecticut	MV	MV	MV	MIN	MIN	MV	AC	MIN	MIN	MV	AC	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Delaware	MV	AC	MIN	MV	AC	MIN	MIN	MV	MV	MV	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN
Florida	AC	MIN	AC	MV	MIN	MIN	AC	MIN	MIN	MIN	AC	MIN	MIN	MIN	AC	MIN	MIN	MIN	MV	MV	MV	MIN	MIN	MIN	MIN	MIN	MV	MIN
Georgia	MIN	MIN	MV	MV	MV	MV	MV	MV	MIN	MIN	MV	MIN	MIN	MIN	MV	MIN	MV	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Hawaii	MV	MV	MIN	MIN	MV	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Idaho	MV	MV	MV	MV	MV	MV	AC	MV	MV	MV	MV	MV	MIN	MIN	MIN	MIN	MV	AC	MV	MV	MV	MV	MIN	MIN	MIN	MIN	MIN	MIN
Illinois	MV	AC	MV	MIN	MV	MIN	MV	AC	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MV	MIN
Indiana	AC	MV	MV	MIN	MIN	MIN	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Iowa	AC	AC	MV	MV	AC	MIN	MV	MV	MV	MV	AC	MIN	MV	AC	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Kansas	AC	AC	MV	MV	AC	MIN	AC	MV	MV	MV	AC	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Kentucky	MV	AC	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Louisiana	AC	AC	MV	MIN	MV	MV	MV	MIN	MIN	MIN	MV	MIN	MIN	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Maine	MV	MV	MV	MV	MIN	MIN	AC	MIN	MIN	MIN	MV	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Maryland	MV	MV	MV	MIN	MV	MV	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Massachusetts	MIN	AC	MIN	MIN	MIN	MIN	MV	MIN	MV	MV	MIN	MIN	MIN	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Michigan	AC	AC	MV	MIN	MIN	MIN	AC	MV	MIN	MIN	AC	MV	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Minnesota	AC	AC	MIN	MIN	MV	MIN	AC	MV	MIN	MIN	MV	MIN	MIN	MIN	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Mississippi	MV	AC	MIN	MIN	AC	MIN	AC	MV	MV	MV	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Missouri	AC	AC	MV	MV	AC	MV	MV	MV	MIN	MIN	MV	MIN	MIN	MV	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Montana	AC	AC	MV	MV	AC	MV	MV	MV	MIN	MIN	MV	MIN	MIN	MV	AC	MIN	MIN	MIN	MIN	MIN	MV	MIN	MV	MIN	MIN	MIN	MIN	MIN
Nebraska	AC	MV	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Nevada	AC	MIN	MV	AC	AC	MIN	MV	MV	MIN	MIN	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
New Hampshire	MIN	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MV	MIN	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
New Jersey	AC	AC	MIN	MIN	AC	MIN	MV	MV	MIN	MIN	MIN	MIN	MIN	MV	MV	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)
New Mexico	MV	MV	MIN	MIN	MV	MIN	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	AC	AC	MIN	MIN	AC	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
New York	AC	AC	AC	MV	AC	MIN	MV	MV	MV	MV	AC	AC	MIN	MV	AC	MIN	AC	AC	MV	AC	MV	MV	MIN	MIN	MV	MV	AC	MIN
North Carolina	AC	MV	AC	MIN	AC	AC	AC	MV	MIN	MIN	AC	MIN	MIN	MIN	MIN	MIV	MV	MV	AC	AC	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN
North Dakota	AC	MIN	MIN	MIN	MV	MIN	MV	MV	MIN	MIN	MV	MIN	MIN	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Ohio	AC	AC	MIN	MV	AC	MIN	AC	MV	MV	MV	MV	MIN	MIN	MV	MIN	MIN	MV	MV	MIN	MV	MIN	MIN	NIM	MIN	MIN	MIN	MIN	MIN

Footnotes at end of table.

INSPECTION AND OPERATIONS ANALYSES OF INTRASTATE PLANTS—Continued

[Key to codes used: "AC" acceptable; "MV" minor variations; "MIN" major improvements needed]

State	General facilities											Control of inedible and condemned material		Ante-mortem inspection		Post-mortem inspection						Establishment's responsibility	Processing inspection procedures					
	Water supply	Waste disposal	Floors, walls, and ceilings	Insect and vermin control	Operating area (space)	Dry storage	Refrigeration	Plant equipment	Lavatories	Welfare facilities	Personal hygiene (plant employees)	Facilities	Inspection procedures	Facilities	Inspection procedures	Lighting	Sterilizers	Lavatories	Inspection equipment	Edible product containers	Inspection procedures	Use of approved materials	Product identification	Examination of raw materials	Maintain product identification	Label and ingredients control	Sanitation	Reinspection procedures
Oklahoma	AC	AC	MIN	MIN	MV	MIN	MV	MV	MIN	MIN	MV	MIN	MIN	MV	MIN	MIN	MIN	MIN	MV	AC	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Oregon	AC	AC	AC	AC	AC	AC	AC	MV	MV	MV	MV	MV	MV	MV	AC	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Pennsylvania	MIN	MIN	MIN	MIN	MV	MIN	MV	MV	MIN	MIN	MV	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MV	AC	MIN	(1)	(1)	(1)	(1)	(1)
Puerto Rico	MV	MIN	MV	MIN	MIN	AC	AC	MV	MIN	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Rhode Island	MV	MV	MV	MIN	MV	MIN	MV	MIN	MIN	MIN	MV	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	MIN	MIN	MIN	MIN	MIN	MIN	MIN
South Carolina	MIN	MV	MIN	MIN	MV	MIN	AC	MV	MIN	MIN	MV	MIN	MIN	MV	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
South Dakota	MV	MV	MV	MV	MV	MV	AC	MV	MIN	MIN	MV	MIN	MV	MIN	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Tennessee	MV	MV	MV	MV	AC	MV	AC	MV	MIN	MIN	MV	MV	MIN	MV	MV	MIN	MIN	MIN	MIN	MV	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Texas	MV	MV	MV	MIN	MV	MIN	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Utah	MIN	MIN	MIN	MIN	MV	MV	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Vermont	AC	MV	MIN	MIN	MV	MIN	AC	MV	MIN	MIN	AC	MIN	AC	MV	AC	MIN	MIN	MIN	MIN	MIN	AC	(3)	(1)	(1)	(1)	(1)	(1)	(1)
Virginia	MV	MV	MIN	MV	MV	MV	MV	MV	MV	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MV	MV	MIN	MIN	MIN	MIN	MIN
Washington	AC	AC	AC	MV	AC	AC	AC	AC	AC	AC	AC	MV	MV	MV	MV	MIN	AC	AC	AC	AC	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN
West Virginia	MIN	AC	MV	MIN	AC	MV	AC	MV	MIN	MV	MV	MIN	MIN	MV	MIN	MIN	AC	MIN	MIN	MV	MIN	MIN	MIN	(1)	(1)	(1)	(1)	(1)
Wisconsin	MV	MV	MIN	MIN	MV	MV	MV	MIN	MIN	MIN	MV	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
Wyoming	AC	MIN	AC	MV	AC	AC	AC	MV	MIN	MIN	MV	MIN	MIN	MV	MIN	MIN	MV	AC	MV	AC	MV	MIN	MV	MIN	MIN	MIN	MIN	MIN

[1] No program.
[2] No inspection program.
[3] No plant.

[From the Washington Post, July 7, 1969]

AGENCY SCORED—NADER: AGRICULTURE SUPPRESSES REPORTS OF DIRTY MEAT PLANTS

(By Bruce Galphin)

Ralph Nader accuses the Agriculture Department's meat inspection chiefs of repeatedly suppressing reports of "deplorable" packinghouse sanitary conditions.

"Their political antennae to industry and state pressures," the consumer crusader asserts in a letter today to Agriculture Secretary Clifford Hardin, "have made them far more solicitous of packer protection than of consumer protection.

". . . Protecting one's bureaucratic flanks—no matter what the consequences for consumers who impliedly rely on their government for protection from contaminated meat products—is an epidemic at (the) Consumer Protection Program," Nader writes.

Nader's far-ranging assault on consumer protection director Robert K. Somers and assistants J. S. Stein and E. J. Murphy includes these allegations:

Two months ago Somers and two aides inspected a meat-packing company in Vernon, Calif., and concluded that it ought to be closed down until cleaned up. But they didn't "because it would . . . have led to the closing down of many other plants in the Vernon area, thereby leading to a major scandal reflecting most adversely on their administration, past and present."

Somers is keeping secret a five-week-old report showing that some 150 meat-processing plants are marking meat with a Federal stamp and shipping it across state lines even though none of the plants inspected has passed Federal standards.

Since 1965, Somers has "sat on" reports of "disgraceful" conditions in Los Angeles area packinghouses. (Nader has obtained a copy of the report and has quoted excerpts in his letter to Hardin.)

Meat inspectors who have been too vigorous in enforcing the law have been "ostracized, removed or overruled."

Nader said Department sources have informed him that although the 1967 Wholesome Meat Act requires states to achieve an inspection and enforcement system at least as tough as the Federal system by this December, no state will be able to meet that deadline, "or for that matter a December 1970 deadline." Moreover, he said, Department efforts to train new Federal inspectors are at a standstill.

Somers could not be reached for comment over the holiday weekend.

In his letter to Hardin, Nader blames Government secrecy for much of the meat sanitation problem.

"Until the USDA rejects its traditionally protective posture toward the meat and poultry industries, and sheds the cloak of secrecy from health data obtained by public funds for public protection, the maladministration, the corruption, the demoralization of honest, hardworking inspectors and supervisors will continue," he writes.

This is not the first time Nader has turned his attention to meat inspection. Two years ago he helped shake loose reports of malign conditions in intrastate packing operation not then subject to Federal inspection. The resultant publicity led to the 1967 act giving states two years to establish their own inspection programs, at least equalling Federal standards, or else yield to Federal inspection.

A quarter of all the meat sold in this country is covered by the 1967 act. The remaining three-quarters already is federally inspected, and this Federal inspection system is the object of Nader's current fire.

The letter to Hardin cites excerpts of reports on eight Los Angeles packinghouses.

Some of the inspectors' findings included these: "The viscera truck man opened gall bladders on abscessed liver and did not wash or sterilize knife later . . . Sanitation was very bad . . . The inspector said that he cannot be sure that restricted ingredients limit (for sausage) is not being exceeded . . . he found the foreman urinating on the floor . . . the butchers had not been sterilizing their knives . . .

"He asked the foreman to sterilize the splitting saw after it had passed through an abscess and then contaminated the next animal. The foreman told him the saw sterilizer had not been used since the last time 'one of you ——— from the Midwest' had been there . . . condemned and edible (meat) went into the same hoist . . ."

Nader contends that Somers and his assistants did "nothing that changed anything" about this report. But this spring, he says, after Sen. Abraham Ribicoff's subcommittee on Executive Reorganization became interested in one California plant and the Inspector General found bad conditions at others, Somers wrote field personnel on May 14 that he "'will not hesitate to take appropriate action' against those who do not achieve full compliance with all meat and poultry inspection regulations."

But, Nader said, "beneath this veneer of words, he is still covering up."

U.S. DEPARTMENT OF AGRICULTURE,
CONSUMER AND MARKETING SERVICE,
Washington, D.C., July 28, 1969.

HON. JOSEPH M. MONTOYA,
U.S. Senate.

DEAR SENATOR MONTOYA: Secretary Hardin has asked me to furnish you the information requested in your letter of July 7. I am glad to do so.

For your convenience, I am quoting each of the "allegations" reported by the Washington Post, and following the allegation with the complete report you requested.

Allegation: Two months ago Somers and two aides inspected a meat packing company in Vernon, California, and concluded that it ought to be closed down until cleaned up. But they didn't "because it would . . . have led to the closing down of many other plants in the Vernon area, thereby leading to a major scandal reflecting most adversely on their administration, past and present."

Report: A special team was sent to a meat packing company in Vernon, California, on May 5 and 6, to determine appropriate corrective action after receipts of an adverse review report on that plant. Dr. Somers was not a member of the special team. It was headed by the Director of the Slaughter Inspection Division.

The team found the plant to be in need of major improvements in plant sanitation, facilities and operations. The plant's management was given its choice—to make the improvements needed promptly, or to stop operations. The plant management elected to make the necessary improvements, within the time limits specified, and it has made those improvements.

Allegation: Somers is keeping secret a five-week-old report showing that some 150 meat-processing plants are marking meat with a Federal Stamp and shipping it across state

lines even though none of the plants inspected has passed Federal standards.

Report: This allegation apparently relates to a survey of plants which operate under the "Talmadge-Aiken" Act. In these plants, inspection is provided by using Federally licensed State inspectors working under Federal supervision, and under the same standards which apply to plants inspected by Federal inspectors. For the most part, these are plants which were previously under wholly state inspection. The state employees have been given appropriate instruction and training by Federal inspectors and apply the same procedures and standards as are applied by Federal inspectors. Also, all these plants were surveyed by Federal inspectors and approved for Federal inspection before being permitted to use the Federal marks of inspection.

In December 1968, Dr. Somers ordered a survey of such plants to determine how well this program was operating under the cooperative agreements with the State governments, and to provide a basis for strengthening this cooperative program. Of 128 such plants *then* in operation, (now 157) a sample of 57 plants was selected for survey.

The survey showed there were deficiencies—some minor, some of significance—in facilities, sanitation, and inspection procedures. On February 13, Dr. Somers directed his staff to take prompt action to correct all deficiencies. The survey was made for management purposes, to improve an authorized program, and it has served these purposes. As with all such investigative and enforcement reports, it is not available to the public.

Allegation: Since 1965, Somers has "sat on" reports of "disgraceful" conditions in Los Angeles-area packing houses.

Report: In 1965 internal reports disclosed unsatisfactory conditions in several plants in the Los Angeles area. As the result of those reports, a special team was selected to make a survey of conditions in Los Angeles packing houses. Also, the Department initiated a comprehensive nation-wide program audit of meat inspection at about the same time. The survey team and the auditors found a number of conditions needing correction.

Action was initiated to correct all deficiencies. This action included providing additional staffing, increased supervision, and special training of new employees and other employees who had not been performing satisfactorily. Immediate arrangements were made to provide adequate inspection personnel not only in Los Angeles, but in other locations where shortages existed. A supplemental appropriation was requested by this Department and the Congress appropriated $2 million for this purpose. It was at this time that the meat inspection program was being reorganized under the Consumer and Marketing Service, and strenuous efforts were begun to make the meat inspection program more effective in providing adequate consumer protection.

All these efforts formed a back drop to the enactment in 1967 of the Wholesome Meat Act, which you so effectively sponsored.

Allegation: Meat inspectors who have been too vigorous in enforcing the law have been "ostracized, removed or overruled."

Report: Historically, conflicts have arisen between meat inspectors and the management of meat plants in enforcing the requirements of the Act. In most cases, the inspector has been in the right, and we have backed him up. But we have found isolated instances where the inspector's judgment or conduct has been less than acceptable, or where he had misconstrued the law or regulations. In those cases—limited in number—when the inspector's conduct was either not fair or not in accord with program instructions, we have taken appropriate corrective action respecting the inspector.

The paramount concern of the Consumer Protection Program has been and continues to be the assurance that only wholesome meat is produced by Federally inspected plants. Consumer Protection employees are given full support to see that this objective is achieved.

Allegation: Nader said Department sources have informed him that although the 1967 Wholesome Meat Act requires states to achieve by this December, an inspection and enforcement system as least as tough as the Federal system, no state will be able to meet that deadline, "or for that matter a December 1970 deadline."

Report: It is simply too early for anyone to know how many states will meet the deadlines established in the Wholesome Meat Act. The states, individually and collectively, have worked hard and have made encouraging progress toward accomplishing the objectives sought by the Act. Here are some significant statistics—comparing the situation now with what it was when the Wholesome Meat Act was enacted:

	December 1967	July 1969
Number of States (including Puerto Rico) which have enacted mandatory meat inspection laws	30	50
Number of States (including Puerto Rico) which have signed Wholesome Meat Act Agreements with USDA	0	44
Number of plants that States had under regular inspection and/or surveillance	[1] 4,211	9,079
Number of State inspection personnel engaged in the inspection of intrastate plants	2,403	4,270

[1] Estimated

Allegation: Moreover, he said, Department efforts to train new Federal inspectors are at a standstill.

Report: USDA has trained 959 State Inspection personnel since January 1, 1969—387 at Federal Training Centers, and 572 in on-the-job training in Federally inspected plants. And training is continuing. During the last week in June, 126 State inspectors and 710 Federal inspectors were receiving training—either in a training center or on-the-job.

You have also requested a copy of each report of survey of meat and poultry plants made since the enactment of the Wholesome Meat Act and Wholesome Poultry Products Act. Along with this you asked for a statement on the remedial action proposed and subsequently taken as respects each plant. At our meeting tomorrow we shall be happy to discuss with you the several problems in complying with this request.

Let me again assure you that we are making strenuous efforts to fully accomplish the objectives you and we sought in the passage of the Wholesome Meat and Poultry Acts. We are doing so to the best of our ability.

We certainly appreciate your interest in this important consumer protection program.

Sincerely,

ROY W. LENNARTSON,
Administrator.

A REPORT ON BIAFRA

Mr. GOODELL. Mr. President, some time ago, a group of Americans concerned about what is happening to the 8 million men, women, and children in Biafra visited the area and made a cultural study of conditions there.

The group was led by Miss Miriam M. Reik, president of the Committee for Biafran Artists and Writers, the group which sponsored the tour. She was accompanied by novelist, Herbert Gold, novelist and critic Leslie Fiedler, and a photographer, Diana Davies. The purpose of the trip was to gain more insight into the quality of existence in Biafra and into, as the report notes, "what in fact, the current conflict with Nigeria will mean for Biafrans, and for us, the rest of the world."

Mr. President, I think this report merits close study by all those interested in the Nigerian-Biafran war. There are parts of the report with which I do not wholly concur—particularly its political recommendations and its comments on news media coverage of the war. Its description of the quality of life in Biafra, however, is most illuminating and confirms many of the impressions I had of the country when I visited it in February.

Mr. President, the Biafran tragedy goes on. It must be alleviated. I commend this article to my colleagues in the Senate, especially those who have taken a leading role in seeking to alleviate the suffering in this war—Senators BROOKE, KENNEDY, MCCARTHY, MURPHY, and PEARSON. I commend it to all citizens who are concerned with Biafra. I ask unanimous consent that Miss Reik's report be printed in the RECORD.

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

A REPORT OF BIAFRA

(Compiled from the observations of a study group that went to Biafra under the auspices of the Committee for Biafran Artists and Writers, Inc., on May 27, 1969, as prepared by Miriam M. Reik.)

I

Preliminaries: On May 27, 1969, a group of four United States citizens left New York for Biafra, two of whom remained there until June 4th, and two of whom remained until June 11th. The trip was unofficial in the sense that it was sponsored by no government agency or government affiliated persons, and was wholly motivated by an interest in and a concern for the peoples of Biafra.

Planning and co-ordination for the trip was arranged by the Committee for Biafran Artists and Writers, Inc., a cultural organization in New York City, which espouses no political position on the Biafran-Nigerian war other than to deplore the tragedy it entails and to urge a swift and just conclusion to it. Each person invited to join the group was consequently told that he was in no way obliged or committed to a political point of view by virtue of agreeing to particiapte in the trip. The intention of the group was to study the life and culture of Biafra, even as it exists in these war-time conditions. Precisely because there is a war however, to carry out such a study and ask the participants to deliberately avoid all political considerations would have been too artificial. Thus, the opinions expresesd in this report reflect a compilation of the observations of the individuals on the trip and are not necessarily those of the sponsoring Committee.

The participants were Dr. Leslie Fiedler, Professor of Literature at New York University at Buffalo, an author of fictional works as well as a distinguished essayist; Mr. Herbert Gold, the author of eight novels and numerous essays; I accompanied the group as co-ordinator (I am a Professor of Literature, Temple University); a photographer, Miss Diana Davies, documented our trip with her artful camera. Both Miss Davies and myself have been in Biafra before, in January of this year; the other two participants were going for the first time.

Purposes of the Study Group: While our group proposed to gather information, it was not technical information exclusively that we were after. All of the participants were well-informed about Biafra, but none of them was particularly well qualified to speak

on nutritional matters, none was an Africanist by profession, and none was holding public office, thereby making this group substantially different from the earlier technical study team sponsored by Senator Charles E. Goodell. Since the kinds of observation we hoped to make were different, we will not try to duplicate the factual and technical data gathered by his team.[1]

Although the relief plane which flew us into Biafra from San Tomé was fired upon by the Nigerians, although we were subjected to aerial attack by them while in the vicinity of a hospital and church, and although we saw many children who were mutilated variously by bombs and malnutrition, we will also try not to duplicate too much material on those questions which are already well documented, though not sufficiently well acknowledged, viz: The harassment of relief flights by Nigerians, the bombing and strafing of civilian populations, the mortality rate from starvation and the other statistics of human wretchedness.

The skills of the participants were those necessary to analyze and characterize the lives of the people and the nature of their circumstances in other than technical terms. In understanding such things, quantified material can only give a part of the picture, if a very necessary one. Our group was looking for the other part, however. What was sought was an insight into the quality of existence in Biafra and into what, in fact, the current conflict with Nigeria will mean for Biafrans and for us, the rest of the world.

It is in order here to say a few words about why we find it necessary to release this report. Americans are vague, if not ignorant, of what kind of place Biafra is and of the kind of people that live there, as they are vague about most African civilizations. Our notions of the current situation are largely shaped by the press and other media, and their coverage has been for the most part grossly inadequate and often distorted. The reasons for this are no doubt many and complex, ranging from the emotional to the practical and the political. Aside from outright management of the news for political purposes, and difficulties encountered in Biafra and Nigeria, some newspapers are impeded by insufficient reporting staffs, for instance, and others limit their coverage because of the relatively low priority given to African affairs generally.

Perhaps one of the most important reasons for this inadequate coverage though, is that unmitigated tragedy, month after month, makes bad copy. People turn away from it, as they turned from their T.V. screens some months ago when a widely broadcast film showed a Biafran civilian being murdered by an interrogating Nigerian officer. Even one of the participants in our group said of the journey, "I wouldn't have chosen the trip, but neither could I refuse it." Too many do give in to the impulse to refuse thinking about Biafra altogether: it is an unpalatable subject, and it arouses unpleasnt feelings of guilt, helplessness and rage. Many, too, feel disgust in the face of persistent, ugly starvation, or, what is worse, have no feelings at all after awhile. Even when Biafra receives coverage, how many of us no longer read those short articles invariably accompanied by photographs of bloated and fragile children?

One no longer knows whether this kind of exclusive emphasis on disaster by the press is supposed to be an appeal to our humanitarianism or to our sadism. In either case, it is certainly not an appeal to our intelligence. The situation in Biafra is about a great many things: why doesn't the media tell us about those things? Why not inform the public sufficiently so that it can make reasoned judgments? Hungry people can never make "sense," but at least they can be seen in a context that the world may know how they came to be hungry. This report therefore will have occasions to note disparities between our observations and those of the media, both in matters of fact and of emphasis. It will try to corroborate where corroboration is needed, and try to correct where we felt it was due. It must be added that the group's efforts were met by courteous cooperation from Biafrans almost everywhere and we were assisted to the greatest extent possible under the circumstances.

II

The Biafran People: Since only a few nations recognize the Biafran sovereignty, most of the world regards a Biafran state as a fiction, but the existence of a Biafran people is an undeniable reality. Although diverse tribes are encompassed by present Biafran borders, there is sufficient social cohesion and unity of purpose (undoubtedly strengthened by having a common external enemy) that one can speak unhesitatingly of the Biafran people. Even in terms of cultural homogeneity, it is thought that the mass population movements caused by the war has weakened tribal differences and various sectors of the country are getting to know each other better.

The Biafrans have suffered incredibly during the war, and few, if any families have not been touched by some kind of loss as a result of it. Since the government has the full support of the people however, they have suffered as willingly as a people can, displaying great dignity and courage where others might have been reduced to simple despair. Not all of them of course can handle the anxieties and losses of war with such conspicuous restraint, and it was not surprising that a visit to the psychiatric hospital at Nsu (the only psychiatric hospital there at present, and one that is short of everything except patients) indicated that the major problem among civilian patients was severe depression.

Nonetheless, exception must be taken to the wide-spread impression of Biafra as a land whose stoic population doggedly persists from day to day, grimly persevering. The fact is that they are a gay and optimistic people. The dogged quality is surely there, particularly among the refugees, when it comes to finding food and other necessities, and there are surely a multitude of bleak situations to be seen in Biafra. But if circumstances are anything less than desperate, one can also find plenty of good humor about the difficulties and but little grumbling. Having one's car break down in the middle of the night and having to push it for the next six hours, for example, is such a common occurrence in these days of no spare parts that the wry telling of it is usually greeted with a good deal of sympathetic laughter. Biafrans are witty people, and humor is one of their best weapons against misfortune. As for their optimism, no one can doubt it: they have been secure in the belief that the world must recognize the justice of their cause, yet after two years of fruitless waiting they are still serene in that expectation. What is that but optimism?

The characteristic ebullience and cheerfulness of Biafrans is partly due to their self-confidence in their ability to solve problems, making them slow to succumb to feelings of hopelessness. If this confidence seems somewhat euphoric since a bomb may literally drop on it at any time, it nonetheless has a basis in the fact that the Biafrans have indeed shown remarkable inventiveness and ingenuity in tackling their problems. They have, after all, kept a society together and running on almost nothing but their wits. With astonishing adaptability, they have tried simultaneously both to move into the twentieth century and defend themselves against its weaponry. Thus the vignette sticks in the mind of modern technology in the form of a powerful Russian MIG swooping down on mud and thatch huts while homemade Biafran rockets try to beat it off. Needless to add, perhaps, the bombing does nothing to their spirit of determination but strengthen it.

At times, Biafra must struggle with its own rather unwieldly bureaucracy, all of it somewhat British in tone, which seems to have developed where Biafran love of efficiency became an unthinking infatuation. By some miracle, a country which is critically short of paper has a proliferation of forms, applications and records for everything, albeit that old pre-war high school composition books frequently have to be used for those purposes. The efficiency, however, together with the Biafran adaptability and self-confidence has often been galling to the Nigerians, and when excessive, to other foreigners as well. The combination produces what is frequently referred to as Biafran pride or Ibo arrogance. The Biafrans have added to it a tremendous appetite for education, and prior to the war was able to supply Nigeria with professional and skilled labor far in excess of their percentage of the population. Biafran pride and sense of accomplishment is therefore all the more vexing inasmuch as it is not wholly unjustified.

Biafran eagerness to learn Western technology and the ease with which they have accommodated modern modes of life has evoked the contempt of the Nigerians, who disdain their willingness to relinquish native ways in favor of upward mobility. This is the beginning of the characterization of the Ibo as too interested in success, too "pushy," too much, in fact, the Jew of West Africa. But Nigerian contempt is not a little mixed with envy, an envy which contributed susbtantially to the regional friction in pre-war Nigeria. One must wonder though, if the Biafrans are so undesirable, why the Nigerians are so eager to effect a union with them.

Considering the character of the Biafrans, it is conceivable that the press as well as some of the propaganda from various pro-Biafran groups is actually doing Biafra a disservice by stressing only the suffering, rather than dealing with, say, the Land Army (the Biafran program to put every available incn of land into cultivation) or the home-made oil refineries, or the other things which show their spirit of community self-help and independence. By harping on the face of the calamity, the media may be missing the heart of it, namely that a highly intelligent, resilient and physically beautiful people are at stake in this war.

The War and the Biafran Spirit of Unity: Biafra is not simply a conglomeration of tribes. Having affirmed that there is undeniably a Biafran people, it must be further asserted that there is also a Biafran nation (whether or not there is a Biafran state is a mere legalism). Perhaps the clearest external evidence of this is that the people obey the law; according to Sir Lewis Mbanefu, Biafra's Chief Justice, there has been no rise in the crime rate and perhaps a bit of a drop since the secession. Private property is respected, and there is general compliance with government instructions.

The Nigerians often contend that the idea of a state called Biafra, and consequently the idea of the war, was manufactured by a group of politicians who used it to advance their ambitions, and that they have cynically sacrificed hundreds of thousands of lives to those ambitions. Biafrans themselves hardly share this opinion, and feelings of national solidarity run very high. Moreover, since it is widely believed that if they lose or surrender there will be a terrible massacre, if not total extermination of the Biafrans, the humanitarian concern for their lives and the political goal of nationhood merge into one for them. Thus the phrase "we will be

[1] While a certain amount of material gathered by Senator Goodell's group has become dated, the general picture of the material needs and conditions in Biafra is still very informative. His group's report appears in the Feb. 25, 1969 *Congressional Record*, vol. 115, no. 33, 4370–4382.

Biafrans or die" and similar ideas are often heard.

There are many examples by which one could gauge Biafran national determination and unity: the success of the Land Army in mobilizing the people; the effectiveneses of the Biafran army which, at times, has fought in extraordinarily difficult circumstances; the large percentage of the population which has invariably fled before the advancing Nigerian army, preferring to take their chances as refugees in Biafran held territory, even with the food blockade. Similarly, there seem to have been no mutinies or revolts against the Biafran government, though Nigeria is plagued by riots, particularly in the West.

What is striking about this feeling of national unity is the uniformity with which it runs through all the ranks of Biafran society, cutting through both tribal differences and class distinctions. Nor is this sentiment a triumph of the Biafran propaganda machine, which is necessarily very weak since there is so little equipment. There is no television, and at the time of the trip, there were two radio stations and a third just beginning. Even those three stations function with limited affect since there are not too many radios, and of those a large percentage lack batteries (batteries of the flashlight variety are so scarce that they can command a price of four Biafran pounds). There is only one large newspaper—and large means a circulation of 4,000—and its print is almost unreadable since a shortage in that area too has forced them to set it in two or three different sizes for any given word. The popular response, therefore, seems to be almost wholly spontaneous.

Biafran national unity derives its energy from two sides, a negative pole which is fear and distrust of the Nigerians and a wish to throw off neo-colonialist interests, and a positive pole, which is their hope for a future in which they will create a democratic state and govern it themselves. Biafran thinking, and certainly Biafran propaganda, has so far been dominated by the former, though lately the latter—a clearer vision of this kind of state Biafra hopes to build—has begun to emerge more prominantly. These two aspects will be dealt with separately.

The Biafran attitude toward the Nigerians: While it is not within the scope of this report to give a full discussion on the question of genocide, it must be taken up in however a cursory fashion since it figures so largely in the thinking of Biafrans. The genocide question is admittedly a murky one, if for no other reason that the intent to commit genocide is so difficult to prove until it is, in fact, almost accomplished. The word, moreover, has lost any well-defined meaning. If one means by genocide what happened to the Jews and Gypsies in the years of Nazi Germany when they were threatened with total extinction down to the last man, woman and child, many observers might well feel that the case of Biafra does not fit into the category. On the other hand, the guidelines set up under Article 2 of the United Nations *Convention for the Prevention and Punishment of Genocide* adopted on December 9, 1948, are such that both the pre-war programs and the present conduct of the war by the Nigerians could well be held to be genocidal. This, of course, is the opinion of many Biafrans, and the official stance of the Biafran government.

Citing Article 2, Biafrans will point to the shooting of seven hundred male Ibos by the Nigerians when they captured Asaba and numerous similar incidents as evidence constituting a clear indictment of genocidal intent.[2] However, more than anything else, they recall the pre-war massacres of 1966 during which 30,000 Ibos and other peoples from the Southern part of Nigerian, excluding Yorubas, were killed by citizens mostly in Northern Nigeria, often with the compliance and even the co-operation of the police and army. While earlier Nigerian history records a number of examples of similar programs against people of the Southern half of the country, particularly the South-East (now Biafra), and while harrassment and vilification of these people has been consistent, the 1966 catastrophe became something like a trauma in the national psyche that was both irremediable and irrevocable. If the Biafrans had any doubts thereafter that their tribe or place of origin aroused uncontrollable hostility in the Nigerians, and that they could not live securely within the framework of a united Nigeria, the manner in which the war has subsequently been prosecuted has done nothing to convince them that their original assessment of Nigerian intentions was incorrect. The Tanzanian statement which was issued on their recognition of Biafran sovereignty succinctly expressed the Biafran point of view when it said, "There is no unity between the dead and those who killed them."

Not all Biafrans believe that the Nigerians intend to commit wholesale murder and that if they had their way not an Ibo would be left, but a few think that there would not be a repetition of the pogroms and other reprisals if Biafra once again entered into a Nigerian federation. At the very least, Biafrans believe that the Nigerians wish to destroy their leadership, that is to say the male population, particularly the educated who provide political, intellectual and cultural leadership. The aim of the Nigerians is to bring the upstart East back to heel, to deprive it of political leverage and to prevent its members from moving in society or gaining distinction. To be ham-strung in this way, reduced to second-class citizenship, is what Biafrans sometimes call "cultural genocide" since it is tantamount to making them an insignificant population in their society. Whatever the nature of Nigerian intentions are however, it is clear that the Biafrans are sufficiently fearful of the consequences that they feel they have nothing to lose by fighting to the last, that in fact they have no choice but to do so.

Whether or not the Nigerians have intended to do so, they have brought about a major change in the balance of the generations in Biafra. Many of the older prominent leaders from the East were killed during the pogroms, and the most important ministerial and other posts in the Biafran goverment are held by relatively young men, who generally provide energetic and responsible leadership, and who are rapidly becoming experienced politicians. Many of the younger men are of course in the armed services, but it is the next generation which will suffer most as a result of the war. This is not only because of the loss of so many of them (forty per cent between the ages of two to four are already dead according to reliable estimates) but also there is no way of judging at this point to what extent permanent damage, particularly of the brain, will afflict those children who do survive the severe malnutrition and protein deficiency disease. This is an especially tragic situation for a people who value intellectual achievement and intelligence so highly.

The educational system in Biafra is pretty much in ruins, partly because of lack of facilities and manpower, and partly because the congregation of children in schools is considered unsafe while Nigerian war planes are in the air. The longer these people, with their great ability to advance themselves through instruction and good books, are prevented from continuing their education, the more the next generation will feel the loss of adequate leadership and the slower will be their technological progress. This should certainly be counted among the most serious affects of the war.

The Biafran Revolution: There are other aspects of Nigeria's stance which the Biafrans consider inimical to their goals. For one thing, since Nigeria is largely Muslim while Biafra is mainly Christian (another point that makes them culturally distinct), the present conflict is seen as another result of historic Arab-Muslim expansionism in Africa. In this light, according to General Ojukwu, the Biafran Head of State, Russian military aid to the Nigerians is seen as an extention of its North African policy and its support of the Arab countries in the Middle-East, as well as an opportunity to gain a foothold in West Africa. Finally, and perhaps most importantly, Nigeria represents the continuing neo-colonial presence of Great Britain and its overwhelming economic influence in a country which was officially granted independence in 1960. As everyone knows by now, or ought to know, the war is as much about Shell-BP's wish to control oil reserves in what was Biafran territory as it is about anything else. About these matters—the diverse cultures that Great Britain threw together when it created that unwieldy commercial unit called Nigeria, and the activity of the British and Russians in Nigeria—the press has been unnecessarily reticent. With all its interest pinned on dying babes, it has neglected to give the political, social and economic causes of the war any attention at all.

The determination of the Biafrans not to be a neo-colonial state is at least part of what is meant by the new phrase for the war, the Biafran Revolution. As one of our participants observed, the Biafran Revolution is "more like the American Revolution than the French or Russian ones—it is a war for national independence, which means in this case, a war against the artificial boundaries enforced by European colonialism on the African peoples, and sustained ever since by local (Black) bureaucracies whose prestige and power depends on their maintenance." The Biafran Revolution is thus not just another local war: it seeks to create an exemplary political order among African states and to release Biafra from the share-cropper mentality and corruption which Nigerian politics represent to it.

The phrase, "Biafran Revolution," has been in the air for some time, but it was officially initiated in a recent major speech by General Ojukwu known as the Ahiara Declaration and delivered in celebration of the second anniversary of Biafra's independence. It initiates with it a new phase in the thinking of Biafran leaders as they try to formulate more clearly the kind of state they want to create and its place in the world; in short, this new nation, abruptly born in a political upheaval, requires a more definite political identity and a direction for the future. In this context, it should be remembered that while Biafra has little in the way of a history on which to draw for these purposes, it nonetheless has indigenous traditions of government reaching back further than colonial times which are altogether serviceable here. The region that is now Biafra has traditionally had relatively democratic social institutions prior to the colonial era. Leadership was not determined along dynastic lines, for instances, nor was it rigid as it was in the rest of Nigeria. Government was local, based on the unit of the village group, and thus tended to keep individual participation strong and the political struc-

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[2] Article 2 stipulates that "genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such: (a) killing of members of the group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions calculated to bring about its physical destruction in whole or in part; (d) imposing measures intended to prevent births within the group; (e) forcibly transferring children of the group to another group."

ture responsive to the popular voice. These traditions have in many ways given Biafrans a feeling of kinship to the nations of the West, and Western models have in turn helped them develop their ideas of what a modern state should be.

Biafran ideas of the future of their nation thus rest heavily on notions of democratic government (though the war prohibits instituting the full apparatus for such a government at the moment), of a social order that is fluid and based on individual merit, an outlook shaped by Christian precept, and an emphasis on individual enterprise and responsibility. This Revolution then, resembles few of those in recent history since it relies neither on revolutionary Marxist ideology nor militant nationalism guided by an autocratic Personality. While the features of the Biafran state are by no means wholly clear yet, at the moment it more nearly resembles a black variation of the democratic welfare state than anything else.

The Biafran Revolution is also a black revolution, and Biafran leaders have begun to speak of their problems as being rooted in racism. Why else, they ask, has the world been so slow to recognize their suffering? There is undoubtedly some truth in their accusation, at least insofar as the racism implicit in the colonization of Africa is a persistent influence. However, in this war of black against black, where white intervention is a factor on both sides, the Biafrans probably over-estimate the race issue to the extent that they fail to realize that African affairs in general seem somewhat out of the way for white nations today. Focusing on the race question has nevertheless led Biafra to look at the war in the broader context of a world problem, and it seems to have sharpened their sense of mission. Biafra no longer feels that it fights for itself alone, but for all of black Africa, and not only for all of black Africa, but for all Negroes, when it struggles to establish the first truly free, democratic black state. There is no question that such a state would be viable: Biafra has the necessary democratic traditions, it has the technological adaptability and sense for modernity, it has the natural resources. To deny then, the "Biafran possibility," as it has been called, is to deny one of Africa's brightest possibilities among the emergent nations.

III

Concluding remarks: The military solution to the war which Nigeria has so long promised and which Britain has so long supported seems altogether unfeasible. There is, first of all, some question as to whether or not it can be accomplished. Where there does not seem to be the remotest chance that Biafra can win, there is a growing possibility that they can hold the war at the level of a stalemate, at least for quite some time to come. Meanwhile, with increasing bitterness, the fighting goes on at great cost to life, particularly among Biafran civilians, and at great cost to the Nigerian economy, which it can ill-afford at this time. Should the Nigerians over-run the remaining Biafran towns, it would again entail a tremendous loss of life on both sides, and then they would almost certainly be faced with a continuing guerrilla war. Finally, should the Nigerians crush the guerrilla war and effect a military solution, the new political balance in the reconstituted Nigeria would certainly be even less stable than before, and totally unsatisfactory in terms of social justice.

It is a political problem that requires a political solution, and either Biafra must be recognized as a functioning, viable and sovereign state, or it must voluntarily enter into some kind of confederation with Nigeria that is of their own making—a confederation such that its citizens feel their safety is secured and that their destiny as a free, black people can be fulfilled. In the order of priorities, certainly a cease-fire is necessary and certainly a program of massive relief and rehabilitation, but to continue to think of Biafra solely as a gigantic charity case is to avoid the political core of the question. As one of our participants observed, "What is needed now is not Lady Bountiful but a kind of King Solomon."

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

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

(Thereupon at 10 o'clock and 52 minutes a.m., the Senate took a recess subject to the call of the Chair.)

The Senate reconvened at 11:31 a.m., when called to order by the Presiding Officer (Mr. BAYH in the chair).

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

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

S. 2846—INTRODUCTION OF A BILL TO PROVIDE SERVICES AND FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

Mr. KENNEDY. Mr. President, on behalf of Senator YARBOROUGH and myself, I introduce for appropriate reference the Developmental Disabilities Services and Facilities Construction Act of 1969. The principal title of the bill would broaden existing Federal grant programs by providing an extensive new range of services and facilities for the mentally retarded and other persons affected by developmental disabilities. A separate title of the bill would extend for 5 years the current statutory program authorizing construction of university facilities and training programs for the care and treatment of the developmentally disabled, and would amend the existing legislation to place greater emphasis on the interdisciplinary character of such programs.

In 1963, Congress enacted the first major Federal legislation for the specific assistance of the mentally retarded. The Mental Retardation Facilities Construction Act, enacted as part of the combined mental health-mental retardation legislation of that year, was the outgrowth of the path-breaking work of the President's Panel on Mental Retardation, appointed by President Kennedy in 1962.

The President's Panel found an appalling shortage of appropriate residential and nonresidential facilities for our mentally retarded citizens, both children and adults. The panel also recognized the need for new approaches to the training of personnel to work with the handicapped, to diagnose their difficulties, to treat their disorders, to train their crippled minds, to cultivate their potential for rewarding activity, and to counsel their bewildered families.

The Panel also recognized the need for the establishment of special centers for research into the causes of mental retardation and its care and treatment. In such centers, the differing skills of a variety of professionals and other research experts could be focused on the basic unknowns of mental retardation, such as the chromosome abnormality in mongolism, or the effect of malnutrition on the prenatal development of infants.

The investigators would study new methods for teaching language to children who do not learn to speak in the normal way. They would develop improved methods of behavioral training to overcome many of the other obstacles that block the progress of retarded children, and better ways to train groups of children in residential and nonresidental facilities.

In the Mental Retardation Facilities Construction Act of 1963, Congress implemented many of the panel's basic recommendations. In the various provisions of the act, Congress established a program of Federal financial assistance for the construction of three types of facilities for the mentally retarded:

Community facilities for the retarded;

University-affiliated clinical facilities for the diagnosis, care, treatment, and training of the retarded, in conjunction with programs to train professional personel to help such persons; and

Centers for research on mental retardation and related aspects of human development.

In the initial years under the 1963 act, Congress gave enthusiastic support to these three complementary programs. However, after a dozen mental retardation research centers had been funded, the construction authority for this program was allowed to lapse. The authorization for the so-called university-affiliated facility program was renewed in 1967, but the program has been underfunded since that time. In addition, budgetary restrictions have also forced a serious curtailment of the Community Facility Program in recent years.

At the same time, however, there were liberalizing influences. In late 1967, in response to the need for assistance in staffing the community facilities, Congress amended the legislation to authorize grants to be made for such staffing. The first staffing grants under this amendment were announced last month, July 1969. Nearly 300 applications, requesting Federal funds totaling over $14 million for the first full year of operation, were received, even though only $8 million was actually appropriated for the fiscal year 1969.

At the present time, under the 1963 act as it has been amended, approximately 300 community facilities and 19 facilities for university training programs have been funded. For the construction of facilities for the retarded, Congress has obligated a total of $56 million over a period of 5 fiscal years. Ironically, this amount is only slightly higher than the amount recommended by the President's

Panel for each of the first 10 years of the proposed program. And, it represents less than one-third of the total cost of the facilities that have been established.

We know that the scope and current level of funding of these programs are too narrow to meet the constantly increasing demand for services and facilities for the retarded in all parts of the Nation. That demand represents the conscientious response in each of the 50 States by concerned citizens eager to right the wrongs and injustices suffered by this long-neglected segment of our population.

The work that Congress began so well in 1963 is far from finished. Each of the present grant programs in this crucial area will expire in less than a year. Yet, even now, responsible State agencies estimate that projects requiring an additional $100 million in Federal funds are on the drawing boards awaiting the availability of Federal funds. The time is long past due for action by Congress to expand and extend this vital legislation.

In its recent report entitled "MR 1968," the President's Committee on Mental Retardation highlighted many of the current problems of inadequate care and treatment for the retarded. One of the most serious problems documented by the Committee concerns the lack of satisfactory residential care facilities for the retarded. At least 50 percent of the country's institutionalized retarded live in functionally inadequate buildings whose average age is 44 years. The staffs are overworked, underpaid, and ineffectively used. Many of the staff personnel are poorly trained. Waiting lists for the admission of the retarded—both children and adults—are far too long.

To a limited extent, other Federal programs have helped to fill the gap. Small islands of innovation have been created under the so-called HIP and HIST programs—the hospital improvement program and the hospital inservice training program. These two programs are operated on a project grant basis. For the past 3 years, however, less than $9 million has been appropriated annually for these programs, and scarcely more than half of the 170 public institutions for the retarded in the country have been able to benefit from them.

The President's Committee recommended that substantial Federal funds should be made available to all public institutions for the retarded. Grants would be made on the basis of a comprehensive State plan. Under the plan, existing institutions would be required to meet specified standards, and new types of localized residential facilities would be developed. Such facilities would not have the dehumanizing characteristics often associated with large remote hospitals. Under the Committee's recommendation, the Federal program could move from an underfunded project approach to a more realistic grant approach that would include a direct attack on the problem of inadequate residential care.

It is widely recognized today that mental retardation is often associated with other kinds of developmental disabilities—such as cerebral palsy, epilepsy, congenital malformations, sensory disorders, and the like. Moreover, even normally intelligent children and adults with such developmental disorders may have problems requiring special care, training, treatment, and living arrangements similar to those needed by the mentally retarded. Yet, unlike the retarded, they frequently have urgent needs which are not covered by any of our existing Federal grant programs. I believe that our programs should be expanded to cover these persons as well.

Another significant problem in the care and treatment of the retarded under existing Federal legislation concerns the anomalous position of mental retardation in the Partnership for Health Act, which was enacted by Congress in 1966. Under that act, the Public Health Service has begun to move away from the so-called categorical grant approach to health services. As an inadvertent result of this approach, however, there has been a serious decline in the overall Federal and State commitments in the area of mental retardation.

In the Partnership for Health Act, Congress recognized that, more often than not, State health departments do not have the primary responsibility for mental health. Therefore, Congress sought to protect the existing programs for mental health services and facilities. It required that at least 15 percent of the basic formula grant to each State for health services must be placed at the disposal of the State mental health authorities.

No such provision was made applicable, however, in the case of funds for mental retardation. Congress failed to recognize that, just as in the case of mental health, facilities and services for the mentally retarded are often the responsibility of other State agencies, and are often not exclusively or even primarily the responsibility of State health departments. Even in the States which include mental retardation within the scope of their mental health agencies, there is no assurance that the mentally retarded will receive their proportionate share of the benefits of the Partnership for Health Act. Thus, the mentally retarded still do not have the benefit of the kind of impetus that Congress has given to the States with respect to many other health and mental health-related problems.

It is time to remedy this oversight by providing specific Federal financial assistance to the States for a wide variety of mental retardation services and facilities. In addition, broad flexibility should be allowed each State to apportion its mental retardation grants among its various governmental agencies, in accordance with the particular State plan, and to include persons with related disorders.

The magnitude of the problem of mental retardation was already enormous in 1963, the year the basic Federal statute was enacted. Since that time, officials and responsible citizens have become even more acutely aware of the extent of the problem. The comprehensive State planning effort undertaken with Federal support and encouragement during the years 1965 through 1968 has pinpointed many of the defects in the present system. Each State now has a view of its problems and its priorities, and of the steps it must take to meet them. In many States, new agencies have been created to spearhead the effort and bring a more effective and diversified attack on the problem.

Yet another aspect of the problem of mental retardation involves the need for better training of professional personnel working in this area. In 1962, few physicians, psychologists, social workers, rehabilitation counselors, physical therapists, and others who could have contributed to the rehabilitation of the mentally retarded had the opportunity during their training for firsthand contact with handicapped children and adults. Even fewer had the opportunity to observe or participate in demonstration programs for the education, care, or treatment of such persons.

Part B of the Mental Retardation Facilities Construction Act of 1963 was addressed to this serious deficiency. It authorized Federal grants for the construction of clinical and demonstration facilities affiliated with colleges or universities. A major emphasis of such grants was on the use of the facilities for training physicians and other specialized personnel. Although the first facilities funded under this program have now become operational, it will be several years before the specialists trained in the facilities will begin to have a significant impact on services for the retarded.

In the course of developing the plans for these facilities—of which 18 have now been approved and funded under the act—important lessons have been learned. It has become especially clear that the proper approach to mental retardation, like many of today's complex problems, requires the application of a variety of skills exercised in concert. Professional training of people to attack this problem must include not only skills traditional to their respective disciplines, but also techniques of professional teamwork and cooperative action by persons of diverse training and background.

In addition, there is an urgent need for training new kinds of personnel to meet the critical shortage in our existing system of care for the mentally retarded. We must encourage the development of new types of professionals and subprofessionals, who may be able to provide even better services for the retarded in many respects than the presently established disciplines are able to provide.

For all of the reasons I have mentioned, the time has come to create new and more comprehensive approaches to the problems we first began to attack in the 1963 legislation. Some of these approaches are proposed in the Developmental Disabilities Services Act of 1969, which I am introducing today.

In essence, the bill would assist the States in planning and carrying out a comprehensive program of facilities and services for persons suffering from mental retardation or other serious chronic mental or physical disabilities originating in childhood. Such disabilities are

referred to in the Act as "developmental disabilities." The bill would provide broad grants for the establishment, extension, improvement, and supplementary support of services, facilities, and training needed for the care and treatment of persons with such disabilities.

In particular, title I of the bill would:

Assist the States in preparing and implementing comprehensive plans for the care and treatment of persons suffering from mental retardation or a broad range of other developmental disabilities;

Provide resources for improving residential care for the retarded, as recommended by the President's Committee on Mental Retardation;

Permit States to apportion parts of their grants among several State agencies, which may share the responsibility for implementing the State plan;

Permit State agencies to combine grant funds with other program funds, where proportionate benefit to the developmentally disabled will result; and

Permit the States to adopt a wide variety of modes of funding their projects, including grants to voluntary organizations and universities.

This portion of the bill would authorize appropriations of $100 million for fiscal year 1971, $150 million for fiscal year 1972, $200 million for fiscal year 1973, $250 million for fiscal year 1974 and $250 million for fiscal year 1975.

Title II of the bill would extend for 5 years—with annual authorizations at the present level of $20 million per year—the authority for Federal grants for construction of university-affiliated facilities for the mentally retarded and persons with related neurological handicaps. Such facilities would be established in conjunction with programs for the training of personnel for the diagnosis, education, care, training, and treatment of personnel for the diagnosis, education, care, training, and treatment of the retarded. The bill would further modify the existing law by placing greater emphasis on the interdisciplinary character of these training programs.

In addition, title II provides that grants for such facilities may be used to pay part of the basic costs of administering and operating the facilities. If Federal support for these basic costs can be reliably assured, the facilities will be able to attract better support from the communities and the State agencies they serve, as well as from Federal agencies with established responsibilities for professional manpower development in related disciplines. Title II authorizes the appropriation of a total of $73 million for this purpose over a 5-year period.

I am hopeful that the proposed legislation will give us new determination to attack the problems of the mentally retarded and those with other developmental disabilities. For too long, we have been content with inadequate gestures in this vital field. I look forward to the coming hearings and debates on this and other legislation as a fresh opportunity for us in Congress to examine our present efforts and establish creative new programs for the future.

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

The PRESIDING OFFICER (Mr. SPONG in the chair). The bill will be received and appropriately referred; and, without objection, will be printed in the RECORD, in accordance with the Senator's request.

The bill (S. 2846) entitled "The Developmental Disabilities Services and Facilities Construction Act of 1969," introduced by Mr. KENNEDY (for himself and Mr. YARBOROUGH), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 2846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Developmental Disabilities Services and Facilities Construction Act of 1969."

TITLE I—GRANTS FOR PLANNING, PROVISION OF SERVICES, AND CONSTRUCTION OF FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

SEC. 101. Part C of the Mental Retardation Facilities Construction Act, as amended is amended by striking out Sections 131 through 137 and substituting the following:

"PART C—GRANTS FOR PLANNING, PROVISION OF SERVICES, AND CONSTRUCTION OF FACILITIES, FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

"DECLARATION OF PURPOSE

"SEC. 130. The purpose of this part is—

"(a) to make grants to assist the several States in developing and implementing a comprehensive and continuing plan for meeting the current and future needs for services to persons affected by developmental disabilities; and

"(b) to make grants to assist public and nonprofit agencies in the construction of facilities for the provision of services to persons affected by developmental disabilities.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 131. In order to make the grants to carry out the provisions of section 130, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1971, $150,000,000 for the fiscal year ending June 30, 1972, $200,000,000 for the fiscal year ending June 30, 1973, $250,000,000 for the fiscal year ending June 30, 1974, and $250,000,000 for the fiscal year ending June 30, 1975.

"STATE ALLOTMENTS

"SEC. 132. (a)(1) From the sums appropriated to carry out the purposes of section 130 for each fiscal year, the several States shall be entitled to allotments determined, in accordance with regulations, on the basis of (A) the population, (B) the extent of need for services and facilities for persons with developmental disabilities, and (C) the financial need of the respective States; except that the allotment of any State (other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands) for any such fiscal year shall not be less than $100,000.

"(2) In determining, for purposes of paragraph (1), the extent of need in any State for services and facilities for persons with developmental disabilities, the Secretary shall take into account the scope and extent of the services specified, pursuant to section 134(b)(4), in the State plan of such State approved under this part.

"(3) Sums allotted to a State for a fiscal year and designated by it for construction and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted to such State for such next fiscal year, provided that whenever the State plan calls for the construction of a specific facility the Federal share of which will exceed the State's maximum permissible allotment for construction for the fiscal year, the Secretary may, on the request of the State, provide that funds allotted to the State remain available, to the extent necessary but not to exceed two additional years, to be combined with subsequent allotments for the specified purpose.

"(b) Whenever the State plan developed in accordance with section 134 provides for participation of more than one State agency in administering or supervising the administration of designated portions of the State plan, the State may apportion its allotment among such agencies in a manner which, to the satisfaction of the Secretary, is reasonably related to the responsibilities assigned to such agencies in carrying out the purposes of this part. Funds so apportioned to State agencies may be combined with other State or Federal funds authorized to be spent for other purposes, provided the purposes of this part will receive proportionate benefit from the combination.

"(c) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary from time to time, on such date or dates as he may fix, to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment under subsection (a) for such fiscal year.

"NATIONAL ADVISORY COUNCIL ON SERVICES AND FACILITIES FOR THE DEVELOPMENTALLY DISABLED

"SEC. 133. (a)(1) There is hereby established a National Advisory Council on Services and Facilities for the Developmentally Disabled (hereinafter referred to as the 'Council'), which shall consist of twelve members, not otherwise in the regular full-time employ of the United States, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service.

"(2) The Secretary shall from time to time designate one of the members of the Council to serve as Chairman thereof.

"(3) The members of the Council shall be selected from leaders in the fields of service to the mentally retarded and other developmentally disabled persons, in State or local government, and in organizations representing consumers of such services. At least four members shall be representative of State or local agencies responsible for services to the developmentally disabled, and at least four shall be representative of the interests of consumers of such services.

"(b) Each member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that, of the twelve members first appointed, three shall hold office for a term of three years, three shall hold office for a term of two years, and three shall hold office

for a term of one year, as designated by the Secretary at the time of appointment.

"(c) It shall be the duty and function of the Council to (1) advise the Secretary with respect to any regulations promulgated or proposed to be promulgated by him in the implementation of this title, and (2) study and evaluate programs authorized by this title with a view to determining their effectiveness in carrying out the purposes for which they were established.

"(d) The Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such statistical and other pertinent data prepared by or available to the Department of Health, Education, and Welfare as it may require to carry out such functions.

"(e) Members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $100 per day and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"STATE PLANS

"SEC. 134. (a) Any State desiring to take advantage of this part must have a State plan submitted to and approved by the Secretary under this section.

"(b) In order to be approved by the Secretary under this section, a State plan for the provision of services and facilities for persons with developmental disabilities must—

"(1) designate (A) a state planning and advisory council, to be responsible for submitting revisions of the State plan and transmitting such reports as may be required by the Secretary; (B) the State agency or agencies which may administer or supervise the administration of all or designated portions of the State plan; and (C) a single State agency as the sole agency for administering or supervising the administration of grants for construction under the State plan;

"(2)(A) set forth policies and procedures for the expenditure of funds under the plan, which, in the judgment of the Secretary, are designed to assure effective continuing State planning, evaluation and delivery of service (both public and private) for persons with developmental disabilities;

"(3) contain or be supported by assurances satisfactory to the Secretary that (i) the funds paid to the State under this part will be used to make a significant contribution toward strengthening services for persons with developmental disabilities in the various political subdivisions of the State in order to improve the quality, scope, and extent of such services; (ii) part of such funds will be made available to other public or nonprofit private agencies, institutions, and organizations; (iii) such funds will be used to supplement and, to the extent practicable, to increase the level of funds that would otherwise be made available for the purposes for which the Federal funds are provided and not to supplant such non-Federal funds; and (iv) there will be reasonable state financial participation in the cost of administering and implementing the State plan;

"(4)(A) provide for the furnishing of a range of services and facilities for persons with developmental disabilities associated with mental retardation, (B) specify the other categories of developmental disabilities which will be included in the State plan, and (C) describe the quality, extent and scope of such services as will be provided to persons with mental retardation and other developmental disabilities;

"(5) provide that services and facilities furnished under the plan for persons with developmental disabilities will be in accordance with standards prescribed by regulations, including standards as to the scope and quality of such services and the maintenance and operation of such facilities;

"(6) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

"(7) provide that the State planning and advisory council shall be adequately staffed, shall include representatives of each of the principal State agencies and representatives of local agencies and nongovernmental organizations and groups concerned with services for persons with developmental disabilities: *Provided*, That at least one third of the membership of such council shall consist of representatives of consumers of such services;

"(8) provide that the State planning and advisory council will from time to time, but not less often than annually, review and evaluate its State plan approved under this section and submit appropriate modifications to the Secretary;

"(9) provide that the State agencies designated in paragraph (1) will make such reports, in such form and containing such information, as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary finds necessary to assure the correctness and verification of such reports;

"(10) provide that special financial and technical assistance shall be given to areas of urban or rural poverty in securing services and facilities for developmentally disabled residents of such areas;

"(11) describe the methods to be used to assess the effectiveness and accomplishments of the State in meeting the needs of developmentally disabled persons in the State;

"(12) provide for the development of a program of construction of facilities for the provision of services for persons with developmental disabilities which (A) is based on a statewide inventory of existing facilities and survey of need; and (B) which meets the requirements prescribed by the Secretary for furnishing needed services to persons unable to pay therefor;

"(13) set forth the relative need, determined in accordance with regulations prescribed by the Secretary, for the several projects included in the construction program referred to in paragraph (12), and assign priority to the construction of projects, insofar as financial resources available therefor and for maintenance and operation make possible, in the order of such relative need;

"(14) specify the percent of the State's allotment (under section 132) for any year which is to be devoted to construction of facilities, which percent shall be not more than 50 percent or such lesser percent of the allotment as the Secretary may from time to time prescribe;

"(15) provide for affording to every applicant for a construction project an opportunity for hearing before the State agency;

"(16) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for funds paid to the State under this part; and

"(17) contain such additional information and assurances as the Secretary may find necessary to carry out the provisions and purposes of this part.

"(c) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (b). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

"APPROVAL OF PROJECTS FOR CONSTRUCTION

"SEC. 135. (a) For each project for construction pursuant to a State plan approved under this part, there shall be submitted to the Secretary, through the State agency designated in section 134(b)(1)(C), an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such application shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor, in accordance with regulations prescribed by the Secretary;

"(3) reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or other nonprofit agency which is to operate the facility;

"(4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed;

"(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction of the project will be paid wages at rates not less than those prevailing on a similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c); and

"(6) a certification by the State agency of the Federal share for the project.

"(b) The Secretary shall approve such application if sufficient funds to pay the Federal share of the cost of construction of such project are available from the allotment to the State, and if the Secretary finds (1) that the application contains such reasonable assurances as to title, financial support, and payment of prevailing rates of wages and overtime pay, (2) that the plans and specifications are in accord with regulations prescribed by the Secretary, (3) that the application is in conformity with the State plan approved under this part, and (4) that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State in accordance with the State's plan for persons with developmental disabilities and in accordance with regulations prescribed by the Secretary.

"(c) No application shall be disapproved until the Secretary has afforded the State agency an opportunity for a hearing.

"(d) Amendment of any approved application shall be subject to approval in the same manner as the original application.

"WITHHOLDING OF PAYMENTS FOR CONSTRUCTION

"SEC. 136. Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency designated in section 134(b)(1)(C) finds—

"(a) that the State agency is not complying substantially with the provisions required by section 134(b) to be included in the State plan, or with regulations of the Secretary;

"(b) that any assurance required to be

given in an application filed under section 135 is not being or cannot be carried out;

"(c) that there is a substantial failure to carry out plans and specifications related to construction approved by the Secretary under section 134; or

"(d) that adequate funds are not being provided annually for the direct administration of the State plan,

the Secretary may forthwith notify the State agency that—

"(e) no further payments will be made to the State for construction from allotments under this part, or

"(f) no further payments will be made from allotments under this part for any project or projects designated by the Secretary as being affected by the action or inaction referred to in paragraph (a), (b), (c), or (d) of this section, as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments for construction projects may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

"PAYMENTS TO THE STATES FOR PLANNING AND SERVICES

"SEC. 137. (a) (1) From each State's allotments for a fiscal year under section 132, the State shall be paid the Federal share of the expenditures, other than expenditures for construction, incurred during such year under its State plan approved under this part. Such payments shall be made from time to time in advance on the basis of estimates by the Secretary of the sums the State will expend under the State plan, except that such adjustments as may be necessary shall be made on account of previously made underpayments or overpayments under this section.

"(2) For the purpose of determining the Federal share of any State, expenditures by a political subdivision thereof or by nonprofit private agencies, organizations, and groups shall, subject to such limitations and conditions as may be prescribed by regulations, be regarded as expenditures by such State.

"(b) The 'Federal share' for any State for purposes of this section for any fiscal year shall be 80 per centum of the expenditures, other than expenditures for construction, incurred by the State during such year under its State plan approved under this part.

"WITHHOLDING OF PAYMENTS FOR PLANNING AND SERVICES

"SEC. 138. Whenever the Secretary, after reasonable notice and opportunity for hearing to the State planning and advisory council finds that—

"(1) there is a failure to comply substantially with any of the provisions required by section 134 to be included in the State plan; or

"(2) there is a failure to comply substantially with any regulations of the Secretary which are applicable to this part, the Secretary shall notify such State council that further payments will not be made to the State under this part (or in his discretion, that further payments will not be made to the State under this part for activities in which there is such failure), until he is satisfied that there will no longer be such failure. Until he is so satisfied, the Secretary shall make no further payment to the State under this part, or shall limit further payment under this part to such State to activities in which there is no such failure.

"REGULATIONS

"SEC. 139. Not later than March 1, 1970, the Secretary, after consultation with the National Advisory Council on Services and Facilities for the Developmentally Disabled (established by section 133), by general regulations applicable uniformly to all the States, shall prescribe—

"(1) the kinds of services which are needed to provide adequate programs for persons with developmental disabilities, the kinds of services which may be provided under this part, and the categories of persons for whom such services may be provided;

"(2) standards as to the scope and quality of services which must be provided for persons with developmental disabilities under a State plan approved under this part;

"(3) the general manner in which a State, in carrying out its State plan approved under this part, shall determine priorities for services and facilities based on type of service, categories of persons to be served, and type of disability, with special consideration being given to the needs for such services and facilities in areas of urban and rural poverty; and

"(4) general standards of construction and equipment for facilities of different classes and in different types of location.

"NONDUPLICATION

"SEC. 140. (a) In determining the amount of any payment for the construction of any facility under a State plan approved under this part, there shall be disregarded (1) any portion of the costs of such construction which are financed by federal funds provided under any provision of law other than this part, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds.

"(b) In determining the amount of any State's Federal share of expenditures for planning and services incurred by it under a State plan approved under this part, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any provision of law other than this part, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds."

SEC. 102. (a) Section 401 of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 as amended (42 U.S.C. 2691) is amended by—

(1) inserting "the Trust Territory of the Pacific Islands" after "American Samoa" in subsection (a);

(a) striking out subsection (b) and inserting in lieu thereof the following: "(b) The term 'facility for the developmentally disabled' means a facility, or a specified portion of a facility, designed primarily for the delivery of one or more services to persons affected by one or more developmental disabilities.";

(3) striking out the words "mentally retarded" wherever they occur in subsection (d) and inserting the words "developmentally disabled" in lieu thereof; and

(4) striking out "August 31" in subsection (j) (1) and inserting in lieu thereof "September 30".

(5) by adding at the end of the section the following subsections:

"(l) the term 'developmental disability' means a disability attributable to mental retardation, cerebral palsy, epilepsy, a neurological impairment, a sensory defect, or any other chronic physical or mental impairment of an individual which originates before such individual attains age 18, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual.

"(m) the term 'services for persons with developmental disabilities' means specialized services or special adaptations of generic services directed toward the alleviation of a developmental disability or toward the social, personal, physical, or economic habilitation or rehabilitation of an individual affected by such a disability, and such term includes diagnosis, evaluation, treatment, personal care, day-care, domiciliary care, special living arrangements, training, education, sheltered employment, recreation, counseling of the individual affected by such disability and of his family, protective and other social and socio-legal services and information and referral services.

"(n) the term 'regulations' means (unless the text otherwise indicates) regulations promulgated by the Secretary."

(b) Sections 403 and 405 of such Act are amended by inserting the words "or the developmentally disabled" after the words "mentally retarded" wherever they occur.

EFFECTIVE DATE

SEC. 103. The amendments made by this title shall apply with respect to fiscal years beginning after June 30, 1970: *Provided, however,* That funds appropriated prior to that date under Part C of the Mental Retardation Facilities Construction Act shall remain available for obligation during the fiscal year ending June 30, 1971.

TITLE II—AMENDMENTS TO PART B OF THE MENTAL RETARDATION FACILITIES CONSTRUCTION ACT

CAPTION

SEC. 201. (a) (1) The caption to part B of the Mental Retardation Facilities Construction Act is amended to read as follows:

"CONSTRUCTION, DEMONSTRATION AND TRAINING GRANTS FOR UNIVERSITY-AFFILATED MENTAL RETARDATION FACILITIES"

CONSTRUCTION GRANTS

SEC. 202. (a) The first sentence of section 121(a) of the Mental Retardation Facilities Construction Act is amended—

(1) by striking out "clinical facilities providing, as nearly as practicable, a full range of inpatient and outpatient services for the mentally retarded (which for purposes of this part, includes other neurological handicapping conditions found by the Secretary to be sufficiently related to mental retardation to warrant inclusion in this part) and";

(2) by striking out "clinical training" and inserting in lieu thereof "interdisciplinary training"; and

(3) by striking out "each for the fiscal year ending June 30, 1969, and the fiscal year ending June 30, 1970" and inserting in lieu thereof "for each of the next seven fiscal years".

(b) Section 121 of such Act is amended by adding at the end thereof the following subsection:

"(c) For purposes of this part, the term 'mentally retarded' shall include mental retardation and other neurological handicapping conditions found by the Secretary to be sufficiently related to mental retardation to warrant inclusion in this part."

DEMONSTRATION AND TRAINING GRANTS

SEC. 203. Part B of the Mental Retardation Facilities Construction Act is amended by redesignating sections 122, 123, 124, and 125 as sections 123, 124, 125, and 126, respectively, and by adding the following new section after section 121:

"SEC. 122. (a) For the purpose of assisting institutions of higher education to contribute more effectively to the solution of complex health, education, and social problems of children and adults suffering from mental retardation, the Secretary may, in accordance with the provisions of this part, make grants to cover costs of administering and operating demonstration facilities and interdisciplinary training programs for personnel needed to render specialized services to the mentally retarded, including established disciplines as well as new kinds of training to

meet critical shortages in the care of the mentally retarded.

"(b) For the purpose of making grants under this section, there is authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1971, $11,000,000 for the fiscal year ending June 30, 1972, $15,000,000 for the fiscal year ending June 30, 1973, and $20,000,000 for each of the next two fiscal years.

SEC. 204. Section 123 of such Act, as redesignated by this Act, is amended by inserting "(a)" after "SEC. 122," by inserting "the construction of" before "any facility," and by adding the following new subsection at the end thereof:

"(b) Applications for demonstration or training grants under this part may be approved by the Secretary only if the applicant is a college or university operating a facility of the type described in section 121, or is a public non-profit agency or organization operating such a facility."

SEC. 205. Section 124 of such Act, as redesignated by this Act, is amended by deleting the phrases "for the construction of a facility" and "of construction" in subsection (a) thereof, and by deleting the phrase "in such installments consistent with construction progress,".

SEC. 206. Section 125 of such Act, as redesignated by this Act, is amended by inserting "construction" before "funds" in the first line thereof.

MAINTENANCE OF EFFORT

SEC. 207. Such Act is amended by adding at the end thereof the following new section:

"SEC. 126. Applications for grants under this part may be approved by the Secretary only if the application contains or is supported by reasonable assurances that the grants will not result in any decrease in the level of State, local, and other non-Federal funds for mental retardation services and training which would (except for such grant) be available to the applicant, but that such grants will be used to supplement, and, to the extent practicable, to increase the level of such funds."

EXECUTIVE REPORT OF A COMMITTEE

Mr. LONG. Mr. President, as in executive session, I report favorably from the Committee on Finance the nomination of Rex M. Mattingly, of New Mexico, to be a member of the Renegotiation Board.

EXECUTIVE SESSION

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination favorably reported today by the Committee on Finance.

The PRESIDING OFFICER. Without objection, the Senate will go into execusession, and the clerk will state the nomination.

RENEGOTIATION BOARD

The assistant legislative clerk read the nomination of Rex M. Mattingly, of New Mexico, to be a member of the Renegotiation Board, vice Thomas D'Alesandrio, Jr,. resigned.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. KENNEDY. I ask unanimous consent that the Senate resume the consideration of legislative business.

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

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

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

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

EQUAL EMPLOYMENT OPPORTUNITY—IMPOSITION OF RACIAL QUOTAS ON FEDERAL CONTRACTORS BY THE DEPARTMENT OF LABOR

Mr. McCLELLAN. Mr. President, on Monday I called attention to the Comptroller General's decision that the Labor Department's efforts to impose racial quotas on Federal contractors violated the spirit, intent, and letter of the Civil Rights Act of 1964—CONGRESSIONAL RECORD, August 11, 1969, pages 23268–23276.

One would naturally assume that executive heads would take heed of a formal decision of the Comptroller General and act accordingly, however, such was not the case in this instance. For on the day following the Comptroller's ruling, Secretary of Labor Shultz summoned a press conference to announce that he would continue to implement his racial quota plan—the so-called Philadelphia plan—despite the action of the General Accounting Office.

I think it is unfortunate that there are those in the executive branch who presume to take the laws into their own hands and try to implement them as they desire and not as they are enacted.

Mr. President, title VI of the Civil Rights Act of 1964, entitled "Nondiscrimination in Federally Assisted Programs" is applicable to precisely the same employers and the same federally assisted programs to which the Labor Department proposes to apply the current racial quota provisions of its Philadelphia plan. That plan clearly contravenes not only the congressional policy expressed therein with respect to nondiscrimination in employment practices, it also directly violates the congressional mandate addressed to all executive departments and agencies, set forth in section 604 of title VI, which expressly provides that:

Nothing contained in this title shall be construed to authorize action under this title by any department or agency with respect to any employment practice of any employer, employment agency, or labor organization, except where a primary objective of the Federal Financial assistance is to provide employment.

The promulgation and implementation of the revised Philadelphia plan constitutes in effect a nullification of title VI and, if this plan is executed, then the enactment of title VI by Congress becomes nothing more than a gesture in futility.

Title VII, because it applies to the same employers who would be covered by the Philadelphia plan would likewise be reduced to a nullity wherever the Philadelphia plan was put into effect.

Mr. President, it will be a sorry day for this Nation, if the executive department can so far usurp the legislative functions of the Congress, that it can supplant the laws that Congress has enacted, by executive orders, rules, regulations and other impositions.

The Secretary of Labor states that the Comptroller General's opinion ignores the Executive Order 11246 as an independent source of law. Apparently the Secretary does not recognize the fact that our Constitution vests all legislative power in the Congress.

As Justice Black pointed out in *Youngstown Steel* v. *United States* (343 U.S. 579), the President has no legislative power and the power of the President to faithfully execute the laws starts and ends with the laws that Congress has enacted.

It is one thing for the President to issue an Executive order which properly implements a law enacted by Congress in accord with the express policy and intent of Congress. But it is quite a different matter for the President or any head of an executive department or agency to issue an order which not only contravenes an enactment of Congress, but is in direct conflict with the congressional policy and intent therein set forth.

As Justice Frankfurter said in the Youngstown Sheet & Tube case—supra:

Where Congress has acted the President is bound by the enactment.

In his decision on the validity of the Labor Department's racial quota system, the Comptroller General ruled—

Until the authority for any agency to impose or require conditions in invitations for bids on Federal or federally assisted construction which obligate bidders, contractors, or subcontractors, to consider the race or national origin of their employees or prospective employees for such construction, is clearly and firmly established by the weight of judicial precedent, or by additional statutes, we must conclude that conditions of the type proposed by the Philadelphia Plan are in conflict with the Civil Rights Act of 1964, and we will necessarily have to so construe and apply the Act in passing upon the legality of matters involving expenditures of appropriated funds for Federal and federally assisted construction projects.

In a Labor Department press release dated August 6, 1969, and entitled "Statement by Secretary Schultz," the Secretary of Labor is quoted as challenging the validity of the Comptroller General's decision and questioning the latters authority with respect to the matters involved.

If quoted correctly, the Secretary apparently misconceives the role and the scope of the Comptroller General's authority and responsibility with respect to

the issues raised in connection with the revised Philadelphia plan and the Civil Rights Act of 1964.

For example, the Secretary's statement that "the interpretation of the Civil Rights Act has been vested by Congress in the Department of Justice" completely ignores the Comptroller General's broad authority and responsibility to rule on the appropriateness of expenditures and proposed expenditures of funds appropriated by Congress and the concurrent necessary authority to interpret the statutes enacted by the Congress.

The Secretary of Labor's statement that "we have no choice but to continue to press the Philadelphia plan" is little less than incredible in view of the fact that decisions of the Comptroller General regarding the expenditure of public funds are by law, binding upon all heads of the executive departments.

Mr. President, the General Accounting Office, under the control and direction of the Comptroller General, was created to assist the Congress in providing legislative control over the receipt, disbursement, and application of public funds including, I might add, all funds appropriated by Congress for the Department of Labor.

One of the primary responsibilities imposed upon the General Accounting Office is to make for the Congress, independent examinations of the manner in which Government agencies—including the Department of Labor—are discharging their financial responsibilities. An examination of the financial responsibilities of Government agencies necessarily includes a review of the administration of funds and the utilization of property and personnel only for authorized programs, activities, or purposes, and the conduct of programs or activities in an effective, efficient, and economical manner.

The Comptroller General is required by law to render decisions as to the legality of expenditures of public funds to heads of executive departments or independent agencies, or disbursing or certifying officers, who are authorized to apply for a decision upon any question involving a payment to be made by or under them or pursuant to their certification.

In addition to the work which it initiates, the General Accounting Office makes many special audits, surveys, and investigations at the specific request of congressional committees, as required by law. Special audits, surveys, and investigations are also made and information, often relating to the legality of specific transactions or to their conformance with existing regulations, is furnished at the request of Members of Congress.

By law, the decisions of the Comptroller General are final and conclusive on the executive branch of the Government and establish the validity of the individual payments and, in some instances, the legality of entire programs.

Mr. President, the financial powers of the U.S. Government are set out largely in article I of the Constitution pertaining to the legislative power. There in section 8, among other powers, the Congress is specifically given the power to lay and collect taxes, to borrow money on the credit of the United States, and to coin money. And to insure legislative control of the purse, section 9 provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Mr. President, I ask unanimous consent that a copy of the press statement of the Secretary of Labor, and a statement which was submitted to me by the Comptroller General pursuant to my request, concerning the functions and authority vested in his office, be printed in the RECORD immediately following the conclusion of my remarks.

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

(See exhibit 1.)

Mr. McCLELLAN. Mr. President, the press statement of the Secretary of Labor contains, in my judgment, many other erroneous statements regarding the Comptroller General's decision. For example, the Secretary, after stating that the Comptroller General's opinion "was not solicited by the Labor Department," then goes on to say that the Comptroller General "concedes that the Philadelphia plan is consistent with procurement law." Nowhere in his decision does the Comptroller General make such a concession. The Secretary apparently is referring to the Comptroller's statement on page six of his opinion where he said:

> The present statement of a specific numerical range into which a bidder's affirmative action goals must fall is apparently designed to meet, and reasonably satisfies, the requirement for specificity.

Such statement by no means constitutes a concession that the Philadelphia plan is consistent with procurement laws. For those laws require not only "specificity" but also that the activities specified be permissible under relevant statutes. And as the Comptroller General points out, the requirement of racial goals, quotas and preferences as required under the Philadelphia plan, are clearly in conflict with existing law, that is, the Civil Rights Act of 1964. Furthermore, the Comptroller General's decision points out other provisions of the Philadelphia plan which suffers from the lack of specificity as well as from lack of statutory or constitutional authority.

Mr. President, let no official of the executive department be heard to say that his responsibility to preserve, protect, and defend the Constitution, provides justification for the flagrant usurpation by the executive department of the legislative power which is vested by that same Constitution in the Congress, and only in the Congress.

Mr. President, the Secretary of Labor's handling of his Philadelphia plan presents not only a case of a flouting disregard for an act of the Congress it also evidences object contempt for a decision of the Comptroller General. I do not think that the Congress can afford to let this act of defiance go unnoticed. I trust that the situation will be remedied promptly and without the need for specific congressional action.

EXHIBIT 1

SECRETARY SHULTZ TO CONTINUE TO PRESS PHILADELPHIA PLAN DESPITE STAATS VIEW

In the wake of a decision by Comptroller General Elmer B. Staats that the Labor Department's so-called Philadelphia Plan for insuring increased employment opportunity for minorities in federal construction collides with the Civil Rights Act of 1964, Secretary of Labor Shultz summoned a news conference to announce that the government will continue to press the Plan.

Shultz's reply to the Staats decision that the Plan is contrary to law is to say in a press conference statement:

"His objection to the Plan is based on his interpretation of a law unrelated to procurement. The Comptroller General's opinion ignores Executive Order 11246 as an independent source of law. We have no choice but to follow the Executive Order. Moreover, courts have held that this Executive Order has the force of law."

Solicitor of Labor Laurence Silberman said at the Shultz conference that it is quite possible that litigation may develop in connection with the controversy over the validity of the Philadelphia Plan.

Following is the text of the Secretary's statement:

"We were advised by the Comptroller General yesterday that in his opinion the Labor Department's order establishing a revised Philadelphia Plan was in conflict with the Civil Rights Act of 1964.

"The interpretation of the Civil Rights Act has been vested by Congress and the Department of Justice which is the principal executive agency with authority to interpret that law. The Department of Justice has approved the Philadelphia Plan as consistent with the Civil Rights Act.

"The Comptroller General said he would have to follow his construction in passing on the expenditure of funds for federal or federally assisted construction projects.

"The Comptroller General is the agent of Congress, not a part of the Executive Branch. His opinion was not solicited by the Labor Department. He has authority to pass on matters of procurement law and concedes that the Philadelphia Plan is consistent with procurement law. His objection to the Plan is based on his interpretation of a law unrelated to procurement. The Comptroller General's opinion ignores the Executive Order 11246 as an independent source of law. We had no choice but to follow the Executive Order. Moreover, courts have held this Executive Order as the force of law.

"His opinion attacks the entire affirmative action concept of the Order. His opinion would destroy all reason for the existence of the Executive Order and the OFCC. Congress was aware of the Executive Order and its affirmative action concept when it enacted the Civil Rights Act of 1964.

"In the absence of a definite opinion of the Supreme Court of the United States, the Comptroller General disputes the authority of the Executive Departments in implementing their program 'to assess the relative merits of conflicting opinions of the lower courts'.

"He would in effect forbid the Executive Branch to function in every area of conflict in the lower courts which touches the expenditure of government funds. This would paralyze government until the Supreme Court has spoken.

"His opinion is based on his own speculation of how the Philadelphia Plan will work without waiting to see whether it will work that way. The courts, as we know, are loathe to deal with concepts in the abstract. The Comptroller General, however, is willing to proceed without the facts of any particular case in front of him.

"We have no choice but to continue to press the Philadelphia Plan and the fight for equal employment opportunity for all Americans."

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STATEMENT BY OFFICE OF THE COMPTROLLER GENERAL

Purpose.—As an agency in the legislative branch, the General Accounting Office was created to assist the Congress in providing legislative control over the receipt, disbursement, and application of public funds. (31 U.S.C. 41 *et. seq.*, 31 U.S.C. 53a, 31 U.S.C. 60.)

Its principal functions are in the fields of auditing, accounting, claims settlement, legal decisions, special assistance to the Congress, and records management and services.

Organization.—The General Accounting Office is under the control and direction of the Comptroller General of the United States, who is appointed by the President with the advice and consent of the Senate, for a term of 15 years. In the absence or incapacity of the Comptroller General and the Assistant Comptroller General, the General Counsel, the Assistant to the Comptroller General, the Director, Office of Policy and Special Studies, the Director, Defense Division, and the Director, Civil Division have been designated in the order named to act as Comptroller General. The organizational components of the General Accounting Office are shown in the chart on page 656.

Auditing.—The General Accounting Office performs an independent audit of receipts, expenditures, and use of public funds by departments and agencies of the Federal Government, and audits the records of certain Government contractors and their subcontractors and of certain recipients of Federal financial assistance such as loans, advances, grants, or contributions.

The primary purpose of audits by the General Accounting Office is to make for the Congress independent examinations of the manner in which Government agencies are discharging their financial responsibilities. Financial responsibilities of Government agencies are construed as including the administration of funds and the utilization of property and personnel only for authorized programs, activities, or purposes, and the conduct of programs or activities in an effective, efficient, and economical manner.

To carry out these functions, the Comptroller General or his authorized representatives are authorized by law to have access to and examine any books, documents, papers, or records—except those pertaining to certain funds for purpose of intercourse or treaty with foreign nations—of any department or establishment (31 U.S.C. 41 *et. seq.*, 31 U.S.C. 53, 31 U.S.C. 54, 31 U.S.C. 65, 31 U.S.C. 67, 31 U.S.C. 72).

Implicit in the audit responsibilities is a responsibility to report to the Congress information obtained in the audits. In addition, section 312(a) of the 1921 act requires the Comptroller General to submit to the Congress an annual report of the work of the General Accounting Office. In this report, or in special reports to the Congress, he is to make recommendations looking to greater economy or efficiency in public expenditures.

Accounting.—The Comptroller General is responsible for prescribing principles, standards, and related requirements for accounting by the executive agencies. The agencies are responsible for establishing and maintaining the accounting systems, but these are to conform with the prescribed principles, standards, and related requirements.

The General Accounting Office cooperates with the agencies in the development of their accounting systems, reviews the systems from time to time, and approves them when deemed to be adequate and in conformity with the requirements of the Comptroller General.

Also, the Comptroller General, the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Chairman of the U.S. Civil Service Commission conduct a continuous program for the improvement of accounting and financial reporting. All other Government agencies also participate in this Joint Financial Management Improvement Program.

Settlement of accounts and claims.—The General Accounting Office has responsibility for settling the accounts of disbursing and collecting officers who are accountable for public funds and for making settlements with certifying officers when there are improper certifications on vouchers. The Office also settles claims (1) against the United States as required by law or where doubt of legal entitlement exists, (2) by the United States where efforts by the responsible agencies have not been successful.

The balances certified by the Comptroller General are final and conclusive upon the executive branch. However, the Comptroller General may review any settled account or claim either on his own motion or at the request of an interested party.

Debt collection.—The responsibility for collecting debts stems from the provision in 31 U.S.C. 71 that all claims and demands by the Government of the United States shall be settled and adjusted in the General Accounting Office, from 31 U.S.C. 93 which provides that the General Accounting Office shall superintend the recovery of all debts finally certified by it to be due to the United States, and from the Federal Claims Collection Act of 1966 (31 U.S.C. 951), which provides agencies and the General Accounting Office collection and compromise authority of claims due the Government where the principal amount is $20,000 or under.

Decisions of the Comptroller General.—The Comptroller General is required by law to render decisions as to the legality of expenditures of public funds to heads of executive departments or independent agencies, or disbursing or certifying officers, who are authorized to apply for a decision upon any question involving a payment to be made by or under them or pursuant to their certification (31 U.S.C. 74, 31 U.S.C. 82d, 33 Op. Atty. Genl. 265, 267.)

In addition, many legal questions arise in the audit and settlement work of the General Accounting Office which require determination.

Under certain circumstances, contracting officers may request advance decisions on questions involving the awarding of a contract. Also, any bidder may request a decision on the legality of a proposed or actual award of a contract adversely affecting him.

By law, the decisions of the Comptroller General are final and conclusive of the executive branch of the Government and establish the validity of the individual payments and, in some instances, the legality of entire programs (31 U.S.C. 44, 31 U.S.C. 74, 33 Op. Atty. Genl. 268, 271.

Special assistance to the Congress.—In addition to the work which it initiates, the General Accounting Office makes many special audits, surveys, and investigations at the specific request of congressional committees, as required by law. Special audits, surveys, and investigations are also made and information, often relating to the legality of specific transactions or to their conformance with existing regulations, if furnished at the request of Members of Congress. (31 U.S.C. 53(b).)

General Accounting Office representatives may be assigned to assist specified committees at their request and are called upon frequently to testify before congressional committees on various matters. Another service to the Congress consists of furnishing comments on proposed legislation.

Rules, regulations, and decisions.—The Comptroller General makes such rules and regulations as deemed necessary for carrying on the work of the General Accounting Office, including those for the admission of attorneys to practice before it. Under the seal of the Office, he furnishes copies of records from books and proceedings thereof, for use as evidence in accordance with the act of June 25, 1948 (62 Stat. 946; 28 U.S.C. 1733).

RECESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

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

Thereupon (at 11 o'clock and 51 minutes a.m.), the Senate took a recess subject to the call of the Chair.

The Senate reconvened at 12:20 p.m., when called to order by the Presiding Officer (Mr. EAGLETON in the chair).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further business? If not, morning business is concluded.

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

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The BILL 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 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.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE).

ORDER OF BUSINESS

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside in order that a resolution may be considered.

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

AUTHORIZATION TO PRINT ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "SUMMARY OF H.R. 13270, THE TAX REFORM ACT OF 1969"

Mr. LONG. Mr. President, there have been numerous inquiries about the hearings to be held by the Committee on Finance on the tax reform measure passed by the House of Representatives. I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The bill clerk read as follows:

S. RES. 244

Resolved, that there be printed for the use of the Committee on Finance five thousand additional copies of its Committee Print of the current Congress entitled "Summary of H.R. 13270, The Tax Reform Act of 1969".

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 244) was considered and agreed to.

Mr. LONG. Mr. President, the 5,000 copies made reference to in the resolution just agreed to are to make available to those who are concerned about the tax reform measure passed by the House an explanatory statement of what is in the measure and the arguments for or against the proposal. These arguments are by no means exhaustive. This is simply a summary of what the staff has extracted from the debates, and from the hearings held in the House of Representatives, and speeches made on the floor of the Senate on the same issue.

Mr. President, I ask unanimous consent to have printed in the RECORD the press release announcing the hearings commencing on September 4, 1969, on this same measure; together with a terse and concise statement prepared by the staff of the Finance Committee, printable under the provisions of H.R. 13270 as passed by the House.

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

[A press release from the Committee on Finance, U.S. Senate, Aug. 12, 1969]

TAX REFORM HEARINGS—COMMITTEE ON FINANCE

Honorable Russell B. Long, Chairman, Committee on Finance, announced today that on Thursday, September 4, 1969, the Committee would begin hearings on H.R. 13270, the Tax Reform Act of 1969. The hearing will begin at 10:00 a.m. on Thursday, September 4 in the Senate Auditorium, Room G–308, New Senate Office Building.

Administration Witness.—He stated that the lead-off witness would be the Honorable David M. Kennedy, Secretary of the Treasury, who would testify on Thursday, September 4 and Friday, September 5.

Public Witnesses.—He stated further that public witnesses testifying on tax reform would be scheduled beginning Monday, September 8, 1969, and continuing through Friday, October 3, 1969. Following the hearing, the Committee will begin closed-door mark-up sessions on the bill.

The Chairman noted that because of the particularly comprehensive nature of the House tax reform bill, an unusually large number of witnesses are expected at the hearing. For this reason, he stated that it would be necessary to very carefully construct the time allotted for oral presentations before the Committee.

Legislative Reorganization Act.—In this respect, the Chairman observed that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress—"to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

The statute also directs the staff of each Committee to prepare digests of all testimony for the use of Committee members.

Senator Long stated that in light of this statute and in view of the large number of witnesses who desire to appear before the Committee in the limited time available for the hearing, *all witnesses who are scheduled to testify must comply with the following rules:*

(1) All statements must be filed with the Committee *at least two days in advance* of the day on which the witness is to appear. If a witness is scheduled to testify on a Monday or a Tuesday, he must file his written statement with the Committee by the Friday preceding his appearance.

(2) All witnesses must include with their written statement a *summary of the principle points* included in the statement.

(3) The written statements must be typed on letter-sized paper (not legal size) and at least *50 copies* must be submitted to the Committee.

(4) *Witnesses are not to read their written statements* to the Committee, but are to confine their oral presentation to a summary of the points included in the statement.

Witnesses who fail to comply with these rules will forfeit their privilege to testify.

Consolidated Testimony.—The Chairman also stated that the Committee urges all witnesses who have a common interest and a common position in a provision in the Tax Reform Act to *consolidate their testimony and designate a single spokesman* to present their common viewpoint orally to the Committee. He stated that this procedure would enable the Committee to receive a wider expression of views on the total bill than it might otherwise obtain. He praised witnesses who in the past have combined their statements in order to conserve the time of the Committee, and he urged very strongly that all witnesses exert a maximum effort to consolidate and coordinate their statements, not only to conserve the time of the Committee, but also to avoid repetitious testimony.

Staff Digests.—The Chairman emphasized that the Committee staffs had been instructed to fully digest all statements submitted to the Committee so that every important point made by any witness would be called to the Committee's attention. He stated that these digests would be available to the Committee members each morning before the witness involved actually appears before the Committee.

Schedule for Major Topics.—Senator Long stated that the proposed schedule of the Committee called for testimony on major topics to begin on the date specified as follows:

Private Foundations, Tuesday, September 9, 1969.

Capital Gains and Losses, Tuesday, September 16, 1969.

Minimum Income Tax, Allocation of Deductions, and State and Municipal Bond Interest, Tuesday, September 23, 1969.

Natural Resources, Percentage Depletion, etc., Tuesday, September 30, 1969.

He stressed, however, that this schedule was not intended to suggest that testimony on these major topics would be concluded in a single day.

Investment Tax Credit Repeal; Surtax Extension.—The tax reform bill contains several provisions similar to those previously passed by the House in H.R. 12290. These relate to the repeal of the 7 percent investment tax credit, the extension of the 10 percent tax surcharge, the extension of the excise tax on automobiles and communications services, and the allowance of an amortization deduction for air and water pollution control facilities. The Chairman indicated that because the Committee on Finance had already taken five days of testimony (covering 530 pages of hearings) on those subjects, the Committee *would not* receive testimony with respect to those matters during the present hearing. He indicated that if the position stated by any witness at the earlier hearing on H.R. 12290 had changed since that time, the witness could communicate that fact to the Committee in a written statement.

He observed that H.R. 12290 also included a major amendment described as "the low income allowance," designed to eliminate tax on persons whose income was below or near the poverty level. Because the House of Representatives had made a major change in the low income allowance, the Chairman advised that the Committee would receive testimony on this provision, despite the fact that it had been subjected to hearings as part of H.R. 12290.

Requests to Testify; Witness List.—Senator Long advised that witnesses desiring to testify during this tax reform hearing must make their *request to testify* to Tom Vail, Chief Counsel, Committee on Finance, 2227 New Senate Office Building, *not later than Tuesday, August 26, 1969.* He reported that it was particularly important that this hearing program be fixed in advance so that Senators and witnesses alike could prepare their own schedules. Toward this end, he announced that the Committee would publish, by Wednesday, September 3, 1969, a complete listing by subject matter of all

those scheduled to appear before the Committee.

Written Statements in Lieu of Appearance.—The Chairman stated further that those persons who desire to submit a written statement to the Committee in lieu of a personal appearance should submit their statements not later than the day on which the Committee is to take testimony on the topic with which they are concerned. He stated that this would enable the written statements to appear in the printed hearing along with the oral statements on the same topics. He emphasized that these written statements would also be digested by the staff for presentation to the Committee during its closed-door sessions, and that they would receive the same careful consideration by the Committee as though they had been delivered orally.

PRINCIPAL PROVISIONS OF H.R. 13270

The provisions included in H.R. 13270 can be briefly summarized as follows:

I. TAX REFORM PROVISIONS

1. *Private foundations.*—The permissible activities of private foundations desiring to preserve the benefits of tax exemption, as well as the benefits to their contributors, are substantially tightened to prevent self-dealing between the foundations and their substantial contributors, to require the distribution of income for charitable purposes, to limit their holdings of private businesses, to give assurance that their activities are restricted as provided by the exemption provisions of the tax laws, and to be sure that investments of these organizations are not jeopardized by financial speculation. In addition, these private foundations are called upon to make a small contribution, 7½ percent of their investment income, toward the cost of government.

2. *Tax exempt organizations, generally.*—The activities of exempt organizations generally are limited so that they cannot participate in debt-financed leaseback operations, wherein they, in effect, share their exemption with private businesses. Second, the unrelated business income tax is extended to virtually all tax-exempt organizations not previously covered by this tax, including churches. Third, the bill extends the regular corporate tax to the investment income of tax-exempt organizations set up primarily for the benefit of their members, such as social clubs, fraternal beneficiary societies, etc.

3. *Charitable contributions.*—Charitable contribution deductions are substantially restructured. The general charitable deduction limitation is increased to 50 percent but the so-called unlimited charitable deduction is phased out over a 5-year period. The extra tax benefits derived from charitable contributions of appreciated property, are restricted in the case of gifts to private foundations, gifts of ordinary income property, gifts of tangible personal property, gifts of future interests, and in the case of so-called bargain sales. Also, the 2-year charitable trust rule is repealed and a number of changes are made limiting charitable contribution deductions where there are gifts of the use of property and in the case of charitable remainder and charitable income trusts.

4. *Farm Losses.*—The deduction of farm losses is restricted in the case of those with farm losses of $25,000 or more and with incomes of over $50,000 from nonfarm sources. Other provisions of the bill, primarily relating to farm operations, provide for the recapture of depreciation upon the sale of livestock, the extension of the holding period for livestock and a revision of the treatment in the case of hobby losses.

5. *Interest Deductions.*—The deduction of interest on funds borrowed to carry investments is generally limited to investment income plus $25,000.

6. *Moving Expenses.*—Moving expense deductions are allowed when changing jobs for househunting trips, for temporary living expenses prior to locating a new home, and for the expenses of selling an old home or buying a new one.

7. *Limit on Tax Preferences.*—In those cases where tax preferences are not fully subject to tax, provision is made for a minimum tax on individuals having tax preferences in excess of their taxable income. The additional tax in this case is determined by adding to the regular income subject to tax, one-half of the tax preferences but only to the extent they exceed the regular income.

8. *Allocation of Deductions.*—Where taxpayers have substantial tax-free income, provision is made to allocate itemized personal deductions between this tax-free income and the individual's taxable income.

9. *Income Averaging.*—The income averaging provision of present law is substantially simplified and also made more generally available.

10. *Restricted Stock.*—In the case of so-called restricted stock plans, the interest in the property is taxed at the time of receipt, unless there is a substantial risk of forfeiture. In the latter event, the value of the property is taxed when the possibility of forfeiture is removed.

11. *Deferred Executive Compensation.*—Other deferred executive compensation is, in general, subject to tax rates as if taxed when earned, although the tax is not payable until the income is received.

12. *Multiple Trusts.*—In the case of accumulation trusts (including multiple trusts), the beneficiary, generally, is to be taxed on the distributions in substantially the same manner as if he had received these amounts of income when they were earned by the trust (taking into account any taxes paid by the trust on the income).

13. *Corporate Mergers.*—In the case of corporate mergers, a number of changes are made. The principal change establishes tests to be used in determining when amounts cast in the form of "debt" have sufficient characteristics of "equity" to be denied the deduction of interest, where this so-called "debt" is used in the acquisition of other companies. Included among the other provisions is one which limits the availability of the installment method for reporting gains, where the debt can be readily traded on the market, and also where the installment payments are not spread relatively evenly over the period during which part of the debt is outstanding. Other restrictive changes are also made in the case of original issue discount and premiums paid on the repurchase by a corporation of its indebtedness which is convertible into its own stock.

14. *Multiple Corporations.*—Multiple surtax exemptions in the case of related corporations are withdrawn over a 7-year period.

15. *Stock Dividends.*—The rules applicable in determining when stock dividends become taxable are revised generally to provide for taxation where one group of stockholders, directly or indirectly, receives a disproportionate distribution in cash while the interests of the other shareholders in the corporation are increased.

16. *Foreign Tax Credit.*—The foreign tax credit is revised in two respects. First, it is provided that where losses of a corporation operating abroad are offset against domestic income (either of the same corporation or as the result of filing a consolidated return), subsequent earnings from the foreign operations to the extent of one-half of these earnings remaining after foreign tax, are to be recaptured until the tax benefit for the operations derived in the case of the initial offset of the foreign losses is recovered. Secondly, a separate limitation under the foreign credit is provided in certain cases with respect to foreign mineral income.

17. *Commercial Banks.*—The tax advantages of commercial banks, relating to special reserves for bad debt losses on loans and to capital gains treatment for bonds held in their banking business are withdrawn.

18. *Mutual Savings Banks and Savings and Loan Institutions.*—The tax treatment of mutual savings banks and savings and loan associations is revised to remove a series of tax advantages presently available to these financial institutions.

19. *Depreciation in Case of Regulated Industries.*—Action is taken generally to limit the depreciation, which may be taken in the case of certain regulated industries to straight line depreciation unless the appropriate regulatory agency permits the company in question to take accelerated depreciation and "normalize" its tax reduction. However, in the case of existing property, no faster depreciation may be taken than is presently taken. Companies already on "flow through" may not change without permission of their regulatory agencies.

20. *Use of Depreciation in Computing Earnings and Profits.*—In computing earnings and profits—which determine whether dividends are taxable or not—corporations are required to make the computation on the basis of straight line depreciation. As a result, this tax benefit cannot be passed on to stockholders.

21. *Capital Gains of Corporations.*—The alternative capital gains tax on corporations is increased from 25 to 30 percent.

22. *Depletion, Etc.*—The percentage depletion rate for gas and oil wells is reduced from 27½ percent to 20 percent. Other depletion rates are comparably reduced (with five minor exceptions). Percentage depletion also is eliminated with respect to foreign oil and gas wells. Additionally, carved out production payments, as well as retained production payments (including ABC transactions) are treated as if they were loans, or the sale of property subject to a mortgage. The effect of this generally is to prevent such payments from artificially increasing the percentage depletion deduction and foreign tax credits or giving rise to income which can offset net operating losses. In addition, this eliminates the possibility of buying mineral property with money which is not treated as the taxable income of the buyer. Finally, recapture rules are applied to certain mining exploration expenditures to which the rules of present law are inapplicable.

23. *Capital Gains.*—Capital gain and loss treatment is revised in several respects. First, the alternative capital gains tax for individuals was repealed, with the result that in the case of those in the top tax brackets, the rates may rise to as much as 35 percent (or 32½ percent under the new rate structure provided by this bill); second, long-term capital losses of individuals are reduced by 50 percent before being available as an offset against ordinary income; third, the offset against ordinary income in the case of husbands and wives filing separate returns is limited to $500 for each or to the same aggregate amount as if they filed a joint return; fourth, the sale of papers by a person whose efforts created them, or by a person for whom they were produced, is to give rise to ordinary income; fifth, the holding period for capital gains is increased from 6 months to 12 months; sixth, employees' contributions to pension plans, when paid out as a part of a lump-sum distribution, is to be taxed as ordinary income; seventh, life interests are not to be accorded a cost basis when sold; eighth, casualty losses and gains are to be consolidated in determining whether they give rise to ordinary loss or to gain which is consolidated with other section 1231 gains or

losses; and ninth, transfers of franchises are not to be treated as giving rise to capital gains if the transferor retains significant rights.

24. *Real estate depreciation.*—Real estate depreciation is revised in several respects. The 200-percent declining balance (or sum-of-the-years-digits) method is limited to new housing; other new real estate is limited to 150-percent declining balance depreciation; and all used property is limited to straight line depreciation. However, 5-year amortization is allowed for certain rehabilitation expenditures on low-cost rental housing. Finally, the so-called recapture rules of present law, in the case of real estate, are revised so that they apply to depreciation in excess of straight line depreciation. In other words, upon the sale of property, depreciation in excess of straight line will be recaptured at that time by converting the capital gain to ordinary income to the extent of this excess.

25. *Cooperatives.*—The tax treatment of cooperatives is revised to require patronage dividends and per-unit retains to be revolved out over a period of no more than 15 years. In addition, the required cash payout in any year, on either current or prior years' patronage, must at least equal 50 percent of the amount of the current year's patronage (taking into account the 20 percent which under present law must be paid in cash on the current patronage).

26. *Subchapter S corporations.*—In the case of subchapter S corporations (that is, the corporations treated somewhat like partnerships) amounts set aside under qualified pension plans for shareholder-employee beneficiaries may not exceed 10 percent of the compensation paid or $2,500, whichever is smaller.

27. *State and municipal bonds.*—State and local governmental units are given an opportunity to issue taxable obligations and in turn receive from the Federal Government a payment equal to between 30 and 40 percent of the interest yield of the bond (on issues brought out after 5 years, the payment will be between 25 and 40 percent). Additionally, the interest on so-called arbitrage bonds of State and local governments are denied Federal income-tax exemption.

II. EXTENSION OF SURCHARGE AND EXCISES, TERMINATION OF INVESTMENT CREDIT, AND CERTAIN AMORTIZATION PROVISIONS (CONTAINED IN H.R. 12290 BUT WHICH HAVE NOT YET PASSED THE SENATE, AND WHICH ARE IN H.R. 13270)

1. *Surcharge.*—The income-tax surcharge at a 5-percent rate is extended by this bill from January 1, 1970, through June 30, 1970.

2. *Excises.*—The present excise taxes on communications services and automobiles are extended for one more year and future reductions of these taxes are postponed.

3. *Investment Credit.*—The 7-percent investment credit is repealed.

4. *Pollution Control.*—Five-year amortization is provided for pollution control facilities.

5. *Railroad Rolling Stock.*—Seven-year amortization is provided for railroad rolling stock, other than locomotives.

III. ADJUSTMENTS OF TAX BURDEN FOR INDIVIDUALS

1. *Standard deduction and maximum standard deduction.*—Over a 3-year period the standard deduction is increased from 10 percent to 15 percent and the maximum standard deduction is increased from $1,000 to $2,000. This rate and amount are effective for 1972 and later years. In 1970 the percentage is 13 percent and the maximum, $1,400. In 1971 the percentage is 14 percent and the maximum, $1,700.

2. *Minimum standard deduction and low-income allowance.*—The minimum standard deduction is increased to a level of $1,100, by adding to the present minimum what is called a low-income allowance. This amount is phased out for the income levels above the taxable levels. This phaseout, however, is used for only 1 year. After 1970 the full $1,100 allowance will be available for all taxpayers whose standard deduction without regard to the minimum is not in excess of $1,100.

3. *Top rate on earned income.*—In the case of earned income, a maximum rate of tax of 50 percent is provided. This is a maximum marginal rate, with the result that no earned income will be taxed at a rate in excess of 50 percent.

4. *Tax treatment of single persons.*—Single persons, 35 years of age or more, and persons whose spouse has died, are provided income tax rates which are halfway between those available to married couples and those previously available to these single persons. This intermediate tax rate treatment is the category formerly known as head-of-household treatment. In addition, in the case of widows and widowers with dependent children, age 19 or less or attending school or college, full income splitting is to be available.

5. *Rates.*—In 1971 and 1972 tax rate reductions aggregating slightly over $1 billion in each year are provided. The 1972 rates provide slightly over a 5-percent reduction for those whose income levels are above the levels where the low-income allowance and increase in the standard deduction provide substantially greater reductions.

NOTE.—For a complete description of the provisions referred to above, reference must be made to the committee report to accompany H.R. 13270, namely, House Report 91-413.

PRESIDENT NIXON'S TAX-SHARING PROPOSAL

Mr. BAKER. Mr. President, we have today received from President Nixon a message recommending a plan of revenue sharing which will require the regular distribution of a specified portion of the Federal income tax to the States primarily on the basis of population with virtually no conditions attached.

As I understand the President's proposal, it contains the following four major elements:

First, the amount of moneys to be shared will be a stated percentage of personal taxable income with one-third of 1 percent of personal taxable income to be appropriated for the second half of fiscal year 1971. Thereafter, the rate will escalate until it reaches 1 percent of personal taxable income for fiscal year 1976, providing a yield of about $5 billion.

Second, the funds will be distributed from the Federal Treasury to the 50 States and the District of Columbia with each State receiving an amount based on its share of the national population adjusted by the State's own revenue effort. The revenue effort factor will be computed as the sum of all State and local general revenue, divided by personal income in that State, divided by the national average of such a revenue-income ratio. The net result of the application of this formula to available funds will provide some premium to those States that exercise their best efforts to provide for their own requirements and also some premium to those States that have a greater fiscal need.

Third, a portion of the money allocated to each State will be required to be distributed to all general purpose local governments. The amount that must be distributed to local governments will be the proportion of locally raised general revenues compared to total State and local revenues, and the amount which an individual unit of general local government will receive is that percentage of the total local share that its own revenues bear to the total of all local government revenues in the State.

Fourth, the States and their local entities will be given virtually complete freedom in the use of their tax shares except for the usual public auditing, accounting, and reporting requirements on all public funds.

Mr. President, I shall enthusiastically and energetically support this revenue-sharing plan. During my 1966 Senate campaign I advocated the enactment of such a proposal and in the 89th Congress I introduced a bill to this effect. On March 24 of this year I introduced S. 1634, the Tax Sharing Act of 1969, a modified version of the 1967 bill. This proposal was under the cosponsorship of Senators BELLMON, COOK, COOPER, COTTON, DOLE, DOMINICK, FANNIN, GOODELL, GRIFFIN, GURNEY, HANSEN, JAVITS, JORDAN of Idaho, MURPHY, PACKWOOD, PEARSON, PERCY, SCOTT, THURMOND, and TOWER. Identical measures have also been submitted in the House of Representatives by Congressmen CAHILL, BUSH, POLLOCK, CUNNINGHAM and PODELL. The revenue-sharing plan incorporated in S. 1634 contains virtually identical provisions to the proposal recommended today by the President. Accordingly, I am most hopeful that when the administration's bill is introduced, the House Ways and Means Committee and the Senate Finance Committee will hold early hearings and take prompt action to establish the concept of tax sharing.

Congress must, in my judgment, take this action to establish a more efficient delivery system for rapidly proliferating Federal assistance. It is imperative that we create a delivery system with a greater degree of flexibility by moving away from complete reliance on particularistic Federal grant-in-aid instruments and by adopting approaches which seek to strengthen the political structure and enhance the responsiveness of American federalism. This can best be achieved, as the Advisory Commission on Intergovernmental Relations has recommended, by the establishment of a combination of Federal tax-sharing and general functional bloc grants, along with Federal categorical grants-in-aid.

Underlying my firm support for the concept of tax sharing is the basic conviction that strong and financially viable State and local governments are essential not only to a healthy federalism, but also to the best possible performance of governmental services. Dr. Walter W. Heller has stated this thesis cogently:

> In part, this simply expresses the traditional faith in pluralism and decentralization, diversity, innovation, and experimentation. For those who lack that faith—for died-in-the-wool Hamiltonians and for those who believe that the states are bound to wither away—there can be little attraction in revenue sharing or other instruments relying heavily on local discretion and decision.
>
> Yet, apart from the philosophic virtues of federalism, all of us have a direct stake in the financial health of state-local governments for the simple reason that they perform the

bulk of essential civilian services in the country.

The enactment of a revenue sharing measure would thus recognize a substantial role for the States and would provide a broad scope for decentralized decisionmaking. If the benefits of American diversity are to be exploited and enhanced, then the Federal Government must aid in creating a fiscal environment that will enable States and localities to exercise wide latitude in determining their own priorities and solving their own problems.

In my judgment, the enactment of tax sharing would relieve the intense fiscal pressures on State and local governments. It would serve the tradition of federalism by instilling in State and local governments a new vitality and independence. It would reverse the regressive tendency in the Federal-State-local tax structure. It would enable the economically poorer States to upgrade the quality of their essential civilian services.

For all these reasons, I urge adoption of the President's recommendation on revenue sharing.

MESSAGES FROM THE PRESIDENT

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

FEDERAL ASSISTANCE TO STATES AND LOCALITIES; MESSAGE FROM THE PRESIDENT (H. DOC. NO. 91–148)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

If there is a single phenomenon that has marked the recent history of nations, large and small, democratic and dictatorial, it has been rise of the central government.

In the United States, revenues of the Federal government have increased ninety-fold in thirty-six years. The areas of our national life where the Federal government has become a dominant force have multiplied.

The flow of power from the cities and States to Washington accelerated in the Depression years, when economic life in America stagnated, and an energetic national government seemed the sole instrument of national revival. World War II brought another and necessary expansion of the Federal government to marshal the nation's energies to wage war on two sides of the world.

When the war ended, it appeared as though the tide would be reversed. But the onset of the cold war, the needs of a defeated and prostrate Europe, the growing danger and then the reality of conflict in Asia, and later, the great social demands made upon the Federal government by millions of citizens, guaranteed the continued rapid growth and expansion of Federal power.

Today, however, a majority of Americans no longer supports the continued extension of federal services. The momentum for federal expansion has passed its peak; a process of deceleration is setting in.

The cause can be found in the record of the last half decade. In the last five years the Federal government enacted scores of new Federal programs; it added tens of thousands of new employees to the Federal payrolls; it spent tens of billions of dollars in new funds to heal the grave social ills of rural and urban America. No previous half decade had witnessed domestic Federal spending on such a scale. Yet, despite the enormous Federal commitment in new men, new ideas and new dollars from Washington, it was during this very period in our history that the problems of the cities deepened rapidly into crises.

The problems of the cities and the countryside stubbornly resisted the solutions of Washington; and the stature of the Federal government as America's great instrument of social progress has suffered accordingly—all the more so because the Federal government promised so much and delivered so little. This loss of faith in the power and efficacy of the Federal government has had at least one positive impact upon the American people. More and more, they are turning away from the central government to their local and State governments to deal with their local and State problems.

As the Federal government grew in size and power, it became increasingly remote not only from the problems it was supposed to solve, but from the people it was supposed to serve. For more than three decades, whenever a great social change was needed, a new national program was the automatic and inevitable response. Power and responsibility flowed in greater and greater measure from the state capitals to the national capital.

Furthermore, we have hampered the effectiveness of local government by constructing a Federal grant-in-aid system of staggering complexity and diversity. Many of us question the efficiency of this intergovernmental financial system which is based on the Federal categorical grant. Its growth since the end of 1962 has been near explosive. Then there were 53 formula grant and 107 project grant authorizations—a total of 160. Four years later on January 1, 1967, there were 379 such grant authorizations.

While effective in many instances, this rapid growth in Federal grants has been accompanied by:

—Overlapping programs at the State and local level.
—Distortion of State and local budgets.
—Increased administrative costs.
—Program delay and uncertainty.
—A decline in the authority and responsibility of chief executives, as grants have become tied to functional bureaucracies.
—Creation of new and frequently competitive state and local governmental institutions.

Another inevitable result of this proliferation of Federal programs has been a gathering of the reins of power in Washington. Experience has taught us that this is neither the most efficient nor effective way to govern; certainly it represents a radical departure from the vision of Federal-State relations the nation's founders had in mind.

This Administration brought into office both a commitment and a mandate to reverse the trend of the last three decades—a determination to test new engines of social progress. We are committed to enlist the full potential of the private sector, the full potential of the voluntary sector and the full potential of the levels of government closer to the people.

This week, I am sending to Congress for its approval for Fiscal Year 1971, legislation asking that a set amount of Federal revenues be returned annually to the States to be used as the States and their local governments see fit—without Federal strings.

Because of budget stringencies, the initial fund set aside to start the program will not be great—$500 million. The role of the Federal government will be redefined and re-directed. But it is my intention to augment this fund annually in the coming years so that in the Fiscal Year beginning in mid-1975, $5 billion in Federal revenues will be returned to the States without Federal strings. Ultimately, it is our hope to use this mechanism to so strengthen State and local government that by the end of the coming decade, the political landscape of America will be visibly altered, and States and cities will have a far greater share of power and responsibility for solving their own problems. The role of the Federal Government will be re-defined and re-directed toward those functions where it proves itself the only or the most suitable instrument.

The fiscal case for Federal assistance to States and localities is a strong one. Under our current budget structure, Federal revenues are likely to increase faster than the national economy. At the local level, the reverse is true. State and local revenues, based heavily on sales and property taxes, do not keep pace with economic growth, while expenditures at the local level tend to exceed such growth. The result is a "fiscal mismatch," with potential Federal surpluses and local deficits.

The details of this revenue sharing program were developed after close consultation with members of the Congress, governors, mayors, and county officials. It represents a successful effort to combine the desirable features of simplicity and equity with a need to channel funds where they are most urgently needed and efficiently employable.

The program can best be described by reviewing its four major elements.

First, the size of the total fund to be shared will be a stated percentage of personal taxable income—the base on which Federal individual income taxes are levied. For the second half of Fiscal Year 1971, this will be one-third of one percent of personal taxable income; for subsequent fiscal years this percentage will rise to a regular constant figure. In order to provide for the assured flow of Federal funds, a permanent appropria-

tion will be authorized and established for the Treasury Department, from which will be automatically disbursed each year an amount corresponding to the stipulated percentage.

Second, the allocation of the total annual fund among the 50 States and the District of Columbia will be made on the basis of each State's share of national population, adjusted for the State's revenue effort.

The revenue effort adjustment is designed to provide the States with some incentive to maintain (and even expand) their efforts to use their own tax resources to meet their needs. A simple adjustment along these lines would provide a state whose revenue effort is above the national average with a bonus above its basic per capita portion of revenue sharing.

Third, the allocation of a State's share among its general units of local government will be established by prescribed formula. The total amount a State will share with all its general political subdivisions is based on the relative roles of State and local financing in each State. The amount which an individual unit of general local government will receive is based on its share of total local government revenue raised in the State.

Several points should be noted about these provisions for distribution of a State's portion of revenue sharing.

—The distribution will be made by the State.

—The provisions make allowance for State-by-State variations and would tend to be neutral with respect to the current relative fiscal importance of State and local governments in each State.

—In order to provide local flexibility, each State is authorized to develop an alternative distribution plan, working with its local governments.

Fourth, administrative requirements are kept at a minimum. Each State will meet simple reporting and accounting requirements.

While it is not possible to specify for what functions these Federally shared funds will provide—the purpose of this program being to leave such allocation decisions up to the recipient units of government—an analysis of existing State and local budgets can provide substantial clues. Thus, one can reasonably expect that education, which consistently takes over two-fifths of all state and local general revenues, will be the major beneficiary of these new funds. Another possible area for employment of shared funds, one most consistent with the spirit of this program, would be for intergovernmental cooperation efforts.

This proposal marks a turning point in Federal-State relations, the beginning of decentralization of governmental power, the restoration of a rightful balance between the State capitals and the national capital.

Our ultimate purposes are many: To restore to the States their proper rights and roles in the Federal system with a new emphasis on and help for local responsiveness; to provide both the encouragement and the necessary resources for local and State officials to exercise leadership in solving their own problems; to narrow the distance between people and the government agencies dealing with their problems; to restore strength and vigor to local and State governments; to shift the balance of political power away from Washington and back to the country and the people.

This tax-sharing proposal was pledged in the campaign; it has long been a part of the platform of many men in my own political party—and men in the other party as well. It is integrally related to the national welfare reform. Through these twin approaches we hope to relieve the fiscal crisis of the hard-pressed State and local governments and to assist millions of Americans out of poverty and into productivity.

RICHARD NIXON.

THE WHITE HOUSE, *August 13, 1969.*

REPORT ON ANTIDUMPING—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with Title II, section 201(b) of Public Law 90–634, I am pleased to submit the enclosed report for the period beginning on July 1, 1968, and ending on June 30, 1969, setting forth: (1) the texts of all determinations made by the Secretary of the Treasury and the United States Tariff Commission under the Antidumping Act, 1921, as amended, in that period; (2) an analysis with respect to each determination in that period of the manner in which the Antidumping Act, 1921, as amended, was administered to take into account the provisions of the International Antidumping Code; and (3) a summary of antidumping actions taken by other countries in that period against United States exports, relating such actions to the provisions of the International Antidumping Code.

I have no recommendations to make at this time concerning the administration of the Antidumping Act, 1921.

There are differences in language between the Antidumping Act, 1921, and the International Antidumping Code. The differences in language, when applied to the cases contained in this Report, have not affected the Treasury Department and the Tariff Commission in making their determinations under the Act. Obviously, the domestic law would take precedence over the International Antidumping Code in the event of an actual conflict. If this question should present any problem in the future, I shall submit a supplemental report to the Congress covering this matter.

RICHARD NIXON.

THE WHITE HOUSE, *August 13, 1969.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Foreign Relations.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 4813. An act to extend the provisions of the U.S. Fishing Fleet Improvement Act, as amended, and for other purposes;

H.R. 10420. An act to permit certain real property in the State of Maryland to be used for highway purposes; and

H.R. 12982. An act to provide additional revenue for the District of Columbia, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 742. An act to amend the Act of June 12, 1948 (62 Stat. 382), in order to provide for the construction, operation, and maintenance of the Kennewick division extension, Yakima project, Washington, and for other purposes;

H.R. 1707. An act for the relief of Miss Jalileh Farah Salameh El Ahwal;

H.R. 5107. An act for the relief of Miss Maria Mosio;

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

H.R. 10107. An act to continue for a temporary period the existing suspension of duty on certain istle and the existing interest equalization tax.

HOUSE BILLS REFERRED

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

H.R. 4813. An act to extend the provisions of the U.S. Fishing Fleet Improvement Act, as amended, and for other purposes; to the Committee on Commerce.

H.R. 10420. An act to permit certain real property in the State of Maryland to be used for highway purposes; to the Committee on Armed Services.

H.R. 12982. An act to provide additional revenue for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A PERCEPTIVE VIEW OF THE ABM CONTROVERSY

Mr. MILLER. Mr. President, the distinguished and knowledgeable columnist, Richard Wilson, has an article in the August 11 edition of the Washington Evening Star which merits the reading and thoughtful attention of all who are concerned over the future security of our country.

Mr. Wilson perceptively analyzes the controversy which has been raging in the Senate over the ABM and other aspects of the pending military procurement authorization bill. He well points out the emotionalism, factual oversight, and lack of statesmanship which have char-

acterized some of the tactics and appeals by the so-called opponents.

Unlike some other members of the press who have aided and abetted such conduct, Mr. Wilson's sharp pen and keen insight call attention to what is really going on, and the ominous implications for our country's future.

This is journalism at its best, and Mr. Wilson deserves the highest of praise for the service he has rendered to the public.

I ask unanimous consent that the article, with deletions noted in accordance with senatorial courtesy, be printed in the RECORD.

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

ABM ISSUE ILLUSTRATES AMERICA'S EMOTIONALISM

(By Richard Wilson)

A vivid illustration was provided by the U.S. Senate on the ABM issue of how shaky and risky the making of critical national decisions has become in this age of protest and demonstration.

The group of men who undermined public support of the Vietnam war and drove Lyndon Johnson from the presidency very nearly tied the hands of President Nixon in providing for the defense of the United States.

Leaving aside the merits of the ABM issue, the methods employed by Nixon's opposition were alarming in advanced degree. If this is to be the pattern of the future, the defense of this country may turn upon tricky parliamentary maneuver and emotional pacifism spurred by New Left cliches in the mouths of peaceniks.

It was all the more appalling that otherwise sincere and dedicated senators would lay aside what they had previously stood for in a last-minute maneuver of desperation to gain the vote of Margaret Chase Smith of Maine.

With her vote the ABM opponents thought they might conceivably win and send ringing through the Pentagon the chilling notice that politicians in the U.S. Senate were taking over the decision-making process on the kind of complicated weapons systems needed for the nation's defense.

The maneuver did not succeed, but it easily might have with just one more vote for the misleading and imprecise Smith amendment which would have junked the Safeguard system proposed by Nixon.

The scene on the Senate floor was not reassuring. A quickly scribbled revision of Senator Smith's proposal to satisfy her and meet the requirements of other ABM opponents . . . the scurrying about to get the last possible vote while the roll call was slowed down . . . the dissembling and outright deception about what the Smith amendment meant. All that was redolent of the parliamentary chicanery that might have to be accepted as part of the democratic system on less critical issues.

But this issue is whether or not the United States can survive attack by the Soviet Union's now equal nuclear striking power. The opposition saw the issue mostly in terms of blowing the whistle on the Pentagon and the military-industrial complex so that [various senators] and other like-minded men, can impose upon the Nixon Administration their concepts of national priorities and foreign policy.

They are supposed to be responding to the national mood for harnessing the Pentagon but what they are doing is attempting to grasp control of national security policy on the basis of their ideas about our safety and getting along with Russia and the rest of the world. They are proceeding on a rapid course of disengagement and isolationism. Nixon is not moving fast enough for them.

It is to be doubted if they are representing a national mood which exists. The polls do not show it exists. The House of Representatives, which is more representative of the national mood than the Senate, does not reflect the imagined revolt against the Pentagon and the military-industrial complex.

The opponents of advanced weapons systems are now failing to make an essential distinction. This distinction is between waste, blundering and mismanagement in the Pentagon, which is indefensible, and the critical decisions which sometimes must be made insecurely on the kind of weapons systems essential to defense. The big waste on the TFX plane is often cited as an example of Pentagon mistakes which must be prevented in the future. This is a precise example of the distinction ABM opponents fail to make. The TFX aircraft was unanimously opposed by the Joint Chiefs of Staff. It was imposed upon them by the civilian authority of Robert S. McNamara and John F. Kennedy.

In the present case, the Senate instead of McNamara is trying to override the combined expert judgment of the military leadership.

The chances are that Congress will now go ahead and approve the $20 billion for military weapons in the defense authorization bill without much further trouble.

But the experience with ABM leaves a sense of foreboding about the future of American policy as it is exposed to recurrent waves of emotionalism. It is not easy to say how such important decisions can otherwise be made. But in this case it is not hard to agree with George Bernard Shaw that you do not have to be able to lay an egg to know when one is rotten.

THE SITUATION TODAY IN CZECHOSLOVAKIA

Mr. DOMINICK. Mr. President, beginning on July 27, 1969, the Washington Evening Star published a series of five articles written by a very competent correspondent, Smith Hempstone, European correspondent for the Star, commenting on what has been going on in Czechoslovakia during his recent tour of that country.

Since we have been discussing the problems that we face in this country, in connection with potential threats from some of our Communist opponents, it strikes me that this series of articles, commenting on life today in Czechoslovakia after the Soviet invasion of that country, is particularly pertinent.

I therefore ask unanimous consent that the five articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Evening Star, July 27, 1969]

ANATOMY OF DESPAIR—1: CZECH LIFE OFFERS ONLY A GLIMMER OF HOPE

(NOTE.—This is the first of a five-part series by Smith Hempstone, who took a 1,300-mile drive around Czechoslovakia, including visits to major cities in Slovakia, Moravia and Bohemia.)

PRAGUE.—The distance between the Austrian and Czechoslovakian border checkpoint at Bratislava is only 100 yards. But on leaving Austria, you sense immediately that you are passing from an imperfect but hopeful world into one in which hope withers.

On the Austrian side, the formalities are perfunctory, brisk and informal, and can be accomplished almost while shifting the car's gears.

On the Czechoslovak side, there are the border guards festooned with tommy-guns, the crowds of people trying to get in or out of the country, the blank-eyed policemen with their crimson shoulder-boards and the snarl of red-tape so typical of "people's paradises."

The next mandatory stop is the foreign exchange window. Visitors are not allowed to take Czechoslovak crowns in or out of the country.

The teller explains that, since your visa is for 10 days, you must change a minimum of $30 in hard currency into crowns. This transaction and all subsequent ones are entered into the currency form which each visitor surrenders on leaving Czechoslovakia.

The next stop is customs. The inspection is not as bad as in East Germany, where the state is reduced to pushing a wheeled mirror under the cars of departing visitors to ensure that none of its citizens are clinging to the chassis.

Then it's across the Danube bridge and into Bratislava, the capital of Slovakia and Czechoslovakia's third largest city (pop. 275,000).

The city in the days of the Austro-Hungarian empire was known as Pressburg, and Napoleon, after his great victory over the Russians and Austrians at Austerlitz, imposed a humiliating peace there.

It is a little surprising to find St. Martin's Cathedral open at midday: The state regulates the hours during which church doors may be open and priests must work at regular jobs lest they be condemned as social parasites.

A group of dark, raggedly clothed and very dirty gypsy children (230,000 of Czechoslovakia's 260,000 gypsies roam Slovakia) are gathered around a nun.

The gothic interior of the cathedral is very dark and it exudes an odor of great age, dampness and permanency. A few coins dropped in an offering box echo hollowly. There are posters asking alms for relief in Biafra.

Outside, it is hot and the twisting cobbled streets are empty. A visitor goes to the terrace of the Hotel Devin in search of a beer. The waitress speaks no German, although Austria is just across the river. Desperation prods the middle-aged memory: pivo is the word for beer in both Czech and Slovak.

A young man, having seen the Austrian plates on my rented Volkswagen, comes up and speaks in German.

"I'm American," I reply.

"You want to change money?" he says in English, offering 40 crowns to the dollar (16 is the tourist rate).

"No." It is too risky, but one feels a little guilty about turning down a youngster who has chosen freedom.

It turns out he is a Turk who has lived within half a mile of my London home. He shows me his passport. He comes often to Czechoslovakia because it is cheap and, as he says, "for the girls."

The narrow road to Zvolen, where Russian Maj. Gen. Fedor Krivda has his headquarters, passes through Trnava, once called "the Slovak Rome" (it has lost its former preeminence) and Nitra, whose hilltop castle looks down, somewhat incongruously, on a crowded municipal swimming pool and tennis courts where aspiring Drobnys volley and lob.

Neither Gen. Krivda nor his troops are much in evidence at Zvolen, a somewhat untidy little town with a remarkably ugly castle in the basin of the Hron River.

The Polana Hotel is crowded and exudes the traditional smell of all Eastern European hostelries, regardless of class or age.

This odor seems to be composed of roughly equal parts of moulding plaster, disinfectant, stopped up drains and stewing meat. Oddly enough, it is not unpleasant once a person gets accustomed to it.

You carry your suitcase up to your room (there are porters only in luxury class ho-

tels), test the bed (no springs and very hard) and go to dinner.

Restaurants are few and generally full at meal times, hence one seldom experiences the luxury of a table to one's self. Perhaps because of this lack of privacy, people eat methodically in an almost unbroken silence. Nobody wears a necktie, scorned as the traditional badge of servitude of the bourgeoisie.

There are a few Czechoslovak soldiers in their tieless Eisenhower-jacket shirts of olive drab, but no Russians. And almost no girls.

In the morning, I drive 15 miles out of the way through the mountains to visit Kremnica, whose fortified cathedral is reputed to be the best preserved medieval structure in Slovakia. It is locked.

Some ill-kept 16th Century houses rim Kremnica's square, which is a tangle of weeds and shin-high grass. It seems that here, as elsewhere in Eastern Europe, the five-year plan cannot provide for both guns and lawn mowers.

At the market place in nearby Banska Bystrica, a one-armed man is selling cherries (30 cents, at the tourist rate of exchange, for two pounds).

Banska Bystrica was the center of the 1944 Slovak uprising against the retreating Nazis, in which both ousted party leader Alexander Dubcek and his successor, the hard-nosed Gustav Husak, fought.

The municipal museum contains a good display on the uprising, including an enlarged photograph of Husak as a young commissar.

Even then, before Novotny had imprisoned him, a hunted look flitted behind his eyes. But one's initial sympathy is deflected by the mouth, which is slack and twisted into a slight sneer, hinting at cruelty. There is no photograph of Dubcek, whose crudely painted name adorns a hundred walls across Slovakia.

The road to Kosice is long and winds through wind-swept valleys toward the plains of Hungary. Women are haying the fields by hand under darkening skies, and the sweet smell of freshly-cut grass is heavy with rain. Their husbands, lean, weathered men in sweat-stained shirts, drive the teams of horses which carry the hay to their barns.

In Kosice's St. Elizabeth's Cathedral, 30 people are waiting in line at the confessional. Although differences between Prague and the Vatican means that Slovakia now has only one aged bishop, one has the feeling that Catholicism will survive in Slovakia, where the church and patriotism are synonomous.

Outside, young people are eating ice cream out of the saucer-shaped "Cones" which some brilliant bureaucrat has decreed to be the only acceptable form in Eastern Europe; the operation requires both a muscular tongue and a receding chin if it is to be accomplished neatly.

A night at the so-called "luxury" hotel at Tatranska-Lomnica, perched in the rain-filled High Tatra Mountains.

In the morning the rain has stopped and vacationing couples, having met their work norms and passed the litmus test of party loyalty, are walking around Tatranska-Lomnica admiring the pine forests and searching for things to do or buy. Aside from grilling sausages and cheap souveniers, there appears to be little of either.

On the road leading down to the valley, I pass a motorcade in which President Ludvik Svoboda is traveling (he is hosting the Polish president and inspecting the facilities for an international skiing competition to be held here next year).

Svoboda, whose name means "freedom," looks old and tired, as surely he must be after the struggle to preserve what little is left of the Czechoslovaks' liberty. There are rumors that only his threat to resign has prevented Husak from fully endorsing the Russian occupation.

At Zilina, I turn north toward Ostrava, another Russian garrison town. The roads are terribly torn up with many detours, perhaps as the result of damage from Russian tanks. Some of the detours may be to divert travellers away from areas where the Russians are billeted.

Ostrava is a big industrial center, a grimy town over which hovers like an ugly questionmark a permanent cloud of smog. The factories, like the town squares of the smaller centers, have an untidy look about them, with debris and rusting machinery scattered everywhere.

A stop for the night at Frenstate (as one moves West, the skirts of the waitresses become decidedly minier, although not short enough to offend the most prudish Marxist sensibilities), and then on through Olomouc to Brno, the capital of Moravia, leaving the sweeping valleys of Slovakia behind.

Here the towns, although still depressing, have an air of settled permanency and purpose to them alien to the newer settlements of traditionally agricultural Slovakia. And the people gradually take on a different appearance: The wide Slavic faces begin to narrow and there are fewer children with hair the color of ripe wheat.

This is the bailiwick of Lubomir Strougal, the tough Communist party boss of the Czech lands of Bohemia and Moravia (historically a dissident area), and there had been trouble in both Olomouc and Brno. The truth often is in the eye of the believer, but the people here seem to avert their faces more, to turn inward on themselves.

It has been a cold summer and it is said that the farmers, to show their disapproval of the Husak regime, are sending their produce to market only reluctantly and in small quantities.

At Hradec Kralove's hotel restaurant (veal cutlet, dumpling and ersatz coffee again), I share a table with a middle aged Czech who speaks some English. But he obviously is not anxious to talk. He finishes his meal hurriedly, leaving half his beer; these are not the best of times to be seen with an American.

It is Sunday and the roads into Prague are clogged with the cars (nearly two years' salary for a working man) of Czechs who have come out into the country to buy vegetables, swim and forget about their troubles.

Prague outwardly has changed little since the Russian invasion 11 months ago. The most obvious difference is the facade of the National Museum on Wenceslas Square, which is badly chipped where the Russians sprayed it with machine gun fire when they first moved into town.

Czechs stand on the corners of the square and gaze up at the pock-marked building in silence. Somehow that wounded stone seems to mean much to them, if only because it shows that they did not submit willingly to the Kremlin's yoke.

There are no uniformed Russians on the streets of Prague.

Life goes on. The Czechs still troop to U Flecku for the 13 percent brown beer and the brass band. They still crowd their traditional puppet shows. They still trudge across the beautiful medieval Charles Bridge to gaze in silence at the tombs of the Kings of Bohemia in Hradcany Castle, above the pensive Vltava.

But things have changed in nuance and tone. Many people who one once knew are not to be found. They have either fled West or lost their jobs; their successors are vague as to their whereabouts. Of those still around, some are understandably reluctant to talk freely and others know nothing. The press is gagged and the well springs of information have dried up.

There are long lines outside the Western embassies of Czechs wanting tourist visas. The government has given them exit permits in the probably vain gamble that permitting this much freedom will entice some of the 40,000 urgently needed technicians who have fled the country since last August to return.

The people of Czechoslovakia have little enough to smile about.

Because they have the misfortune to live at the very heart of Europe, they have been overrun a score of times down through the centuries, starting with the Romans and ending with the Nazis. Now they have the Russians, and a regime which will do the Russians' bidding. They will endure both unsmilingly because they must.

Despair is the mood of the moment, and this is a time of private grief for every man. But another day will come, if not for this generation then perhaps for the next.

The Czechs and Slovaks are realists and they know this is a slim, perhaps illusionary hope. But it is the only one they have.

And they nurture it like the small flames of the candles which flicker eternally amidst the flowers in front of the statues of King Wenceslas and Jan Hus, honoring those who fell defending the dream of freedom.

[From the Washington (D.C.) Evening Star, July 28, 1969]

AN ANATOMY OF DESPAIR—2: CZECHS STEPPING UP PURGES

(By Smith Hempstone)

PRAGUE.—As the first anniversary of the Russian invasion of Czechoslovakia approaches, the Kremlin-backed purge of Czech and Slovak liberals is being intensified.

Although there have been few if any imprisonments for political belief, hundreds of reformist politicians, journalists and writers—from former party leader Alexander Dubcek on down—have been demoted, transferred or have fled the country.

Prime Minister Oldrich Cernik, at best only a moderate rather than a progressive, could be the next to go.

And there are signs that the witchhunt soon will be widened to include teachers, trade union leaders and army officers.

Meanwhile, the exodus from the country has reached such mammoth proportions that Cedok, the official government tourist agency, announced in early July that Western European embassies in Prague no longer could keep up with the flood of applications for tourist visas.

Most of those who go abroad now may well return; many just want a last look at the West before the door slams. But others unquestionably will take the painful decision to turn their backs on their native land, particularly in view of the way things are shaping up here now.

Gravel-voiced party leader Gustav Husak, who displaced the popular Dubcek on April 17, put his regime's policy clearly in a speech at Ostrava when he warned that for those who reject his stern diktats "there is unfortunately no place in our party and we shall have to part."

That parting has begun and is accelerating daily. On May 19, the official party weekly Zivot Strany revealed that 21,050 Czechoslovaks had resigned from the Communist party or had their memberships lifted in the first quarter of this year.

The 4,035 new members admitted during the same period was the lowest number for any quarter since the grim Stalinist days of 1952, leaving party membership at 1,650,587 (out of a total population of 14 million) on April 1.

Since salary-levels and promotion prospects are directly tied to party membership, one's card is not a thing to be given up lightly.

This shrinkage in party membership is not a matter of concern to either the Kremlin or to the more rigidly pro-Russian members of the Husak regime.

The notorious Milos Jakes, the 46-year-old former electrician who is chairman of the party's Central Control and Auditing

Commission (and thus Husak's chief ideological inquisitor), declared in May that there is no room within the party "for those who openly speak against its policies."

Both Moscow and men of Jakes' stamp feel that a mass-based party is more trouble than it is worth. They reportedly are willing to see membership reduced by as much as a third to make the party easier to control and manipulate.

Cernik could be one of the next to lose his post, although unlike former Presidium-member Frantisek Kriegel, he will retain his party membership unless he chooses to contest his dismissal.

With President Ludvik Svoboda, Dubcek, and former National Assembly President Josef Smrkovsky, Cernik was one of the "Big Four" who directed the political liberalization halted by the Russian invasion last August.

Dubcek and Smrkovsky since have been demoted. Svoboda still is of use to the regime, since he provides it with at least a facade of respectability not enhanced by the presence of 70,000 Russian troops. But Cernik, who lacks the popular appeal of the other three men (he was roundly booed at a Prague soccer game recently), is highly vulnerable and appears unlikely to last the year.

It has become clear in recent weeks that the purge now being implemented within the party by more than 2,000 local control boards, soon will be extended to all aspects of national life.

New and more compliant party organizations already have been installed in every Czechoslovak city from Prague to Kosice.

Presidium-member Lubomir Strougal, who is Husak's gauleiter in Bohemia and Moravia, warned recently that "from the top (Cernik?) to the bottom of party organizations there must be comrades in leading positions who have correctly assessed the political situation."

That means comrades who have kept their bets on the Russian horse.

Strougal, who is even tougher than Husak (whom he may one day displace), in the same speech complained that "the mass information media are not actively helping us."

He predicted that this lack of enthusiasm for the party's leadership and policies will result in "cadre changes"—a Communist euphemism for mass firings—among journalists.

Scab newspaper editors have in fact already been found to replace those who showed themselves willing to accept censorship but refused to write precisely what they were told.

More and more journalists, according to one Czech newspaperman, have seen the writing on the prison wall and are seeking refuge in "less exposed" work such as public relations or employment on technical journals.

The Czech witchhunter next turned his attention to teachers who are "poisoning the minds of our children with anti-Sovietism and nationalism." Strougal warned that the Husak regime will not take this "lying down."

And indeed it hasn't: In announcing that disruptive elements" will be cleared away "as dirty foam," he singled out for his displeasure the defiant trade unions, accusing them of "moving in high politics" and warning that "we cannot allow the trade unions to be turned into an opposition party."

If the workers themselves were not quick to fall into line, the union "leaders" imposed upon them from above immediately got the message.

Only the next day, Vlastimil Toman, chairman of the central committee of the Czech Metalworkers' Union, which has been the vanguard of resistance to "normalization," conceded that "the most important problems of the life of society can be solved only through the party."

Speaking the same day to Czechoslovak army officers of June the government disbanded the 60-member Czech Students' Union for refusing to join the Communist-controlled National Front.

In his Ostrava speech Husak was no less implacable, warn * * * the Western Military Zone, Alois Indra, one of the most notorious of the pro-Soviet quislings, warned that Dubcek's progressives in their activities "have not avoided the armed forces."

Indra, who once was the official Russian candidate to succeed Dubcek (Husak is a conservative Communist but a strong nationalist), warned that only officers who are "ideologically firm" should be allowed in the army.

In addition to being a possible harbinger of a general urge within the army, Indra's fulmination was seen here as a direct attack on the popular Col. Emil Zatopek, the former Olympic track gold medalist and outspoken advocate of reform.

Zatopek has been suspended from duty "until his case has been investigated."

The net effect of these moves, and of those planned but not yet announced, is to place liberals, socialists and progressive Communists under almost intolerable pressure.

They have three options. They can flee, as 40,000 others have, saving themselves and their families but abandoning their country.

They can leave the party with clean hands, remaining in Czechoslovakia while handing over power to the most retrograde elements within the party.

Or they can stay within the party for as long as possible, which means associating themselves with oppressive policies as the price of retaining at least for the moment the slender possibility of contesting and exposing those policies.

With Czechoslovakia's few remaining freedoms eroding daily before the Stalinist tide, the choice is not an easy one and can be made only by the men involved.

[From the Washington (D.C.) Evening Star, July 29, 1969]

ANATOMY OF DESPAIR—3: STROUGAL IS MOST FEARED IN PRAGUE

(By Smith Hempstone)

VESELI NAD LUZNICI.—The most feared man in Prague today is not tough-talking Communist party boss Gustav Husak but his 45-year-old deputy, Lubomir Strougal, whom many fear will be Husak's successor.

Going for him Strougal has the sine qua non for survival and success in the jungle of Communist politics—toughness coupled with the chameleon's ability to match his colors to those of the winning side.

A short, muscular lawyer with a Barry Goldwater jaw, unparted hair combed straight back in the traditional Slavic style and cold, unblinking eyes framed by horn-rimmed glasses, Strougal without question is the most notorious son of the hamlet of Veseli nad Luznici, a crossroads amidst the peat bogs northwest of the metropolis of Ceske Budejovice.

Born in this southern Bohemian podunk near the Austrian border on Oct. 24, 1924, Strougal celebrated his 21st birthday by joining the Communist party.

It almost certainly is not without significance that 1945 was the year Russian tanks rolled into Czechoslovakia on the heels of the retreating Germans: Strougal always knew a winner when he saw one.

REGIONAL BOSS

After graduating with a law degree from Prague's Charles University in 1949 (the year after the Communists seized absolute power in Czechoslovakia), Strougal went to work for the party and quickly became boss of his native region.

It is indicative of the affection with which his former neighbors regard Strougal that in recent weeks party organs have been complaining regularly about the level of anti-state activity in the Ceske Budejovice area.

But then not even Strougal ever claimed that to know him was to love him.

In 1958, he was elected to the party central committee and the following year, at age 35, was named minister of agriculture and appointed to the powerful party secretariat.

NOVOTNY SERVANT

Strougal was no ball of fire as minister of agriculture. But that was less important than the fact that he showed himself to be a loyal servant of detested Communist party leader Antonin Novotny.

When in 1961 Novotny was looking for someone to take over as minister of interior (top cop) from a dangerous rival, Rudolf Marak, whom Novotny had jailed on trumped-up charges of fraud, Strougal was Lubomir-on-the-spot.

The Czechs by then had developed that wry sense of humor that is their principal shield against despair. The joke current in Prague at the time was that, since there had been a shortage of potatoes while Strougal was minister of agriculture, perhaps there would be a shortage of police now that he had moved to interior.

That hope proved a trifle sanguine (one of those languishing in a Czech prison while he was the country's jailer: present party boss Husak).

In 1965, as Novotny came under increasing pressure within the party, he moved Strougal back into the party apparatus as central committee secretary and chairman of the subcommittee on legal questions.

MENTOR ABANDONED

With Novotny's political ship sinking in 1967, Strougal, whose adroitness always has exceeded his loyalty, abandoned his mentor to adopt a more moderate pose.

Although his support of the dictator cost him his position as party secretary in April of last year after Novotny's fall, Strougal had switched sides in time to be appointed a deputy prime minister in party leader Alexander Dubcek's reformist regime, which also named him chairman of the National Economic Council.

Although it is not entirely Strougal's fault, the Czechoslovak economy could not be in worse shape than it is today.

While working with the architects of Prague's "spring of freedom," Strougal, perhaps sensing the inevitability of Russian intervention, began covering his tracks by avoiding becoming too closely identified with the liberals.

CONSTANT WARNINGS

He constantly warned against the dangers of antagonizing the Kremlin of allowing party discipline to slacken, and of permitting a free press to flower.

It is impossible to say at this juncture just how closely Strougal collaborated in the invasion of his country by the Russians. But it is certain that in the 11 months of the occupation he has given total support to the Soviet presence and led with alacrity the witchhunt against Czech nationalists, democrats and progressive Communists.

His rise since the invasion has been meteoric. At last November's plenary meeting of the Central Committee, he gave up his largely decorative deputy premiership to become, simultaneously, a member of the ruling 11-member Presidium and of its even tighter executive committee, Central Committee secretary, and boss of the party's newly-created Czech Bureau.

This last post makes him virtually undisputed ruler of the 10 million inhabitants of the Czech lands of Bohemia and Moravia.

HUSAK A SLOVAK

The power inherent in this position is enhanced by the fact that Husak, his only superior within the party, is a Slovak ill at

ease in Bohemia and Moravia and without a personal powerbase in this vital area.

On May 3 Strougal crowned his rise toward total power through his formal appointment to the unprecedented post of deputy party secretary.

Strougal has used his multiple positions in the classical Communist fashion to consolidate his personal power by eliminating opponents and opposition groups one by one.

He has replaced moderates with his henchmen throughout Bohemia and Moravia, ousted the entire progressive leadership of the key Prague city Communist party organization, and had himself (on July 7) proclaimed commander of the paramilitary People's Militia in the Czech lands.

DISSENT RULED OUT

Having "cleansed" the party apparatus, Strougal in recent weeks has turned his attention to students, teachers and the press. His message always is the same: There is no room for dissent; either conform or get out.

To achieve absolute power, Strougal now has only to eliminate Husak. He appears to be in no hurry. With the economy in chaos, the people restive and such conditional moderate support as Husak once had rapidly evaporating, Strougal can afford to play a waiting game, perhaps until after next year's plenary session of the Central Committee.

Strougal has been close to the center of power for too long not to appreciate the dangers of premature ambition and precipitous action.

There are, after all, other and even more detestable Stalinists such as party secretaries Vasil Bilak (international affairs) and Alois Indra (state organizations) to be won over or neutralized.

Strougal realizes that an unsuccessful attempt to oust Husak could cost him all that he has achieved. But any man who can work for 24 years within an Eastern European Communist party without spending a night in jail has demonstrated both an amazing lack of personal integrity and a remarkable instinct for survival.

At 45, Lubomir Strougal has come a long way from the peat bogs of Veseli nad Luznici. He can be relied upon to keep his cool until there's room at the top.

[From the Washington (D.C.) Evening Star, July 30, 1969]

ANATOMY OF DESPAIR—4: OUTLOOK FOR CZECH ECONOMY GLOOMY

(By Smith Hempstone)

BRATISLAVA.—The ousted Dubcek regime's stalled program of economic reform and the pressures of the continuing Russian occupation spell gloomy economic news for Czechoslovakia.

A shortage of consumer goods and the failure of productivity to keep up with wage increases have resulted in a galloping inflation which the government hopes to dampen.

The austerity package imposed by the Husak regime May 14 raised prices of such staples as canned meat (41 percent), frozen foods (34 percent) and ersatz (an almost undrinkable) coffee (39 percent). Most other items, food and consumer goods alike, went up between 6 percent and 58 percent.

Even at these inflated prices, Czechoslovakia's wheezing factories cannot come close to meeting demand, with an estimated shortage this year of 100,000 radios, 30,000 television sets and of most other consumer goods ranging from motorcycles to irons.

Farmers, aware of the declining value of paper money, are tending to withhold produce from the market, creating shortages in the cities of everything from beef to lettuce.

Unable to put their money into housing (of which there is an acute shortage) or durable goods, many Czechoslovaks are anxious to have one last fling in the West (one Western embassy reportedly is deluged with 4,000 applications a day for tourist visas) or to convert it into hard currency as a hedge against even harder days which may lie ahead.

To meet this demand for convertible currency, a brisk black market (despite periodic police sweeps) exists, with any Western currency commanding three times its official value.

The shortage of automobiles is one which most riles many middle class Czechoslovaks. More than 270,000 people are on waiting lists to buy cars, with delays of two and three years not unusual.

In an attempt to sop up some of this buying power, the government last month created a priority list designed to cut the waiting time for people willing to pay more than double the "normal" price.

On the "fast" list, a tiny Fiat built under license in Russia costs $4,300, nearly four years' wages for the average working man here. If comparable prices applied in the United States, a Chevrolet compact would cost more than $30,000.

To try to meet the demand at even these sky-high prices, Czechoslovakia on July 4 signed an agreement under which the Russians between 1971 and 1975 will sell Prague 110,000 Fiats and 90,000 other passenger cars.

Earlier this month, Premier Stanislav Razl admitted to the Czech parliament that "extraordinary difficulties in the national economy continue to exist."

Razl put his finger on one important aspect of the problem when he conceded that "difficulties in the national economy retard the progress of political consolidation; on the other hand, political phenomena which impede this consolidation hinder the carrying out of rational economic solutions."

INTEREST WANES

That is another way of saying that the Russian occupation and the substitution of the hard-nosed Husak regime for the reformist administration of Alexander Dubcek have resulted in a loss of interest by workers in their jobs.

Shop foremen have difficulty in keeping workers on the job until the final whistle, absenteeism is high and most Czechoslovaks moonlight in an attempt to earn the money necessary to cover the rising cost of food and durable goods.

Razl termed the situation a "vicious circle" and said it would be disastrous if it could not be broken.

But his remedy—higher prices, productivity increases, a freeze in state expenditures and no reduction in the work-week—are unlikely to commend themselves to the restive workers.

Nor will he gain popularity with his admission that weekend work in the fields of mining and transport appears to be the only solution.

INEFFICIENT INVESTMENT

Part of the problem goes back to the Novotny era when there was heavy investment in inefficient industries at the cost of other expenditures.

These industries, which are heavily subsidized by the state, turn out a glut of inferior produce which is virtually unsaleable, either abroad or on the goods-scarce domestic market.

The reforms envisaged by the self-exiled Prof. Ota Sik, father of Dubcek's New Model economy, would have cut subsidies to these industries decentralized control, and introduced a partially free market economy.

But to implement the plan, to which the present regime at least pays lip-service, a $500 million hard currency loan to re-equip the national industrial plant is needed.

BORROWING DIFFICULT

The continuing Russian occupation makes it difficult for Prague to obtain this in the West (to which Czechoslovakia already is in debt to the tune of about $400 million) and, despite recurrent rumors, the Soviets have yet to make such an offer.

The irony of the situation is that the countries of Eastern Europe owe Czechoslovakia 11.2 billion crowns, or $1.6 billion at the official rate of exchange.

Because of Soviet economic policy, however, Czechoslovakia cannot collect these debts in the hard currencies necessary to buy new machinery from the West. And without such machinery, the country cannot hope to earn more hard currency.

Nobody knows precisely how much damage was caused by last August's Russian invasion. But preliminary estimates were on the order of $1 billion, none of which is likely ever to be paid.

Finally, no one can assess the long-term damage to Czechoslovakia's economy caused by the exodus of many engineers and technicians after the invasion.

Some 40,000 Czechoslovaks who were out of the country at time or managed to flee later have remained abroad, despite an amnesty for their "illegal" act. Among them were many key men (particularly physicians) who will not be easily replaced.

And at least some of those going abroad now on tourist visas probably will elect to stay in the West, thus compounding the shortage of skilled personnel.

All in all, the economic situation here looks almost as gloomy as the political scene.

[From the Washington (D.C.) Evening Star, July 31, 1969]

ANATOMY OF DESPAIR—5: CZECHS SHADOWBOXING AGAINST OCCUPIERS

(By Smith Hempstone)

PRAGUE.—Freedom-loving Czechoslovaks are waging a bloodless war of gestures against both their Russian occupiers and party boss Gustav Husak's authoritarian regime.

Since the 70,000-man Russian garrison here does its best to remain invisible, gestures of definance to them are made indirectly through silent demonstrations of dissatisfaction with Husak.

With newspapers, radio and television now almost totally gagged, reformers are forced to resort to a kind of shorthand skirmishing to demonstrate their dedication to freedom.

Wall-painting is one such method, although it is becoming increasingly dangerous nowadays.

SOME SLOGANS LACKING

In a recent, five-day graffiti-viewing car trip through Slovakia, Moravia and Bohemia, this correspondent saw not a single wall-slogan acclaiming either Husak or his less appealing lieutenants, such as Czech gauleiter Lubomir Strougal.

There were scores of words scrawled on the walls of factories, homes and public buildings pledging loyalty to President Ludvik Svoboda, deposed party leader Alexander Dubcek, and demoted or ousted liberals such as Cestmir Cisar, Josef Smrkovsky and Frantisek Kriegel (one slogan with an international lilt spotted in rural Slovakia: "Long Live Apollo 13!")

Many anti-Soviet slogans have been daubed over by Husak's agents, as have some of those referring to Cisar, Smrkovsky and Kriegel.

The gesture-war at present centers around Kriegel, a burly, balding 61-year-old physician with the face of a bemused potato.

A CLASSIC EXAMPLE

Kriegel has devoted his life to the cause of communism and his case is a classic example "the God that failed."

He served as a volunteer with the Republican Army in the half-forgotten Spanish Civil War which preceded World War II. More recently (1960–63), he worked as a medical adviser in Castro's Cuba.

One of the earliest and most sincere advocates of Dubcek's reforms, Kriegel was a member of the powerful party Presidium when Russian tanks swept into Czechoslovakia last August.

He was physically abused by Czechoslovak and Russian secret police who forcibly whisked him from Prague to Moscow after the invasion.

Soviet party boss Leonid I. Brezhnev, in barring Kriegel from the Moscow talks, is reputed to have asked: "What is this Galician Jew doing here?"

Only when President Svoboda refused to go ahead with the talks in Kriegel's absence was he permitted to return to the conference table.

At the May 29–30 plenary meeting of the 180-member Czechoslovak Communist party Central Committee (the Husak regime had come to power on April 17), Kriegel was attacked by Stalinists for having voted against ratification of the Russian occupation by the National Assembly last October.

In a defiant speech which since has been widely circulated here clandestinely by the resistance movement, Kriegel said he had refused to vote for the accord because it had been written "not with a pen but with the barrels of cannons."

In retaliation for this "anti-party, anti-Socialist and anti-Soviet" peroration, Kriegel was dropped not only from the Presidium and the Central Committee but from the party.

DAILY ATTACKS

Currently there are almost daily attacks against him in the controlled press and by every party leader from Husak on down.

As one of the few means they have of showing their real feelings, numberless Czechs have sent bouquets of flowers and notes of appreciation to the suburban Prague hospital where Kriegel serves as head of the rheumatic diseases section.

A more direct method of demonstrating dissatisfaction with the erosion of freedom here has been the dispatch of hordes of unsigned critical letters to newspapers, foreign embassies and to the Czechoslovak leaders.

The letters to newspapers seldom get printed, and then only to be shot down by editorial blasts from pro-Husak editors. But Rude Pravo, the official Communist party newspaper, last month bitterly acknowledged the existence of such an anti-government letter-writing campaign.

As another way of showing how they feel, Czechs daily decorate with flowers, candles and pictures of the late and beloved President Thomas Masaryk the Prague statues of King Wenceslas of Bohemia and of religious reformer Jan Hus, burned at the stake as a heretic in 1415.

For Aug. 21, the first anniversary of the Russian invasion, clandestine leaflets are calling on Czechoslovaks to boycott public transportation, movies, theaters, shops, restaurants and newspaper kiosks.

They are being asked to decorate the graves of patriots, to halt work at noon for five minutes and, if driving at the time, to stop and turn on their lights.

There is not much the Czechoslovaks can do to change things here. Neither Russian troops nor the present Prague regime are renowned as respectors of either liberty or public opinion.

But the Czechs remember Masaryk's motto "The Truth Shall Make You Free"—and they are determined that, while it may be convenient and even necessary for the West to forget about Czechoslovakia, no man in generations to come shall believe that this small nation lost its freedom willingly.

WAYNOKA'S DAYS OF GLORY

Mr. ALLOTT. Mr. President, on this particular day when the United States is honoring the astronauts on their very successful trip to the moon and their successful and safe return, I have had called to my attention an article entitled "Waynoka's Days of Glory," which I think is very enlightening, which was published in the Tulsa Sunday World of July 6, 1969. The article was sent to me by Mr. M. A. Wright, of Houston, Tex.

I am sure that anyone interested in aviation history will find this article extremely interesting. The article deals with the first transcontinental air transport and it points out that Waynoka was the end of the line for transcontinental passenger service. The article points out further that travel by night was done on the train and travel by day was done on the plane.

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

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

WAYNOKA'S DAYS OF GLORY

Forty years ago, on July 7, 1929, "The Airway Limited" chugged out of New York's Pennsylvania Station on the first leg of a combined rail-air journey for 20 people that slashed transcontinental travel time from 100 to 48 hours. A new era of fast transportation was born and Waynoka, Okla., gained its days of glory as a mid-continent transfer point.

Launched by Transcontinental Air Transport (now Trans World Airlines) and the Pennsylvania Railroad (now Penn Central), this historic transportation milestone is recognized as the turning point for commercial aviation passenger service. The two companies are celebrating the 40th anniversary of the event this July.

What was it like July 7, 1929 when, after months of planning by Charles Lindbergh and others, this air-rail adventure started?

Col. Lindbergh, at 27 a national hero, was hired as technical adviser to TAT. He plotted the fledgling airline's cross-country routes, inspected airport and weather stations and set up standards for equipment and personnel. In fact, he was so closely identified with the airline that for a number of years TWA was known as "The Lindbergh Line."

Famous aviatrix Amelia Earhart joined TAT later as assistant to the general manager in charge of making flying attractive to women.

Pre-1929 flying was rough business. Passengers flew with the mail, and a pilot was usually disgruntled to find he had a passenger. And the passenger, in among the mail bags, was lucky if he had a candy bar to nibble on in flight.

But now passengers were to get prime consideration. That was one of the great novelties of the new air-rail service. Riding overnight from New York on the Pennsylvania Railroad, passengers boarded new Ford Tri-Motor planes at Columbus, Ohio, and flew to Waynoka, making intermediate stops at Indianapolis, St. Louis, Kansas City, and Wichita. From Waynoka the Santa Fe Railroad carried them to Clovis, N.M. At Clovis, the passengers once again boarded a Ford Tri-Motor for their flight to Los Angeles, stopping enroute at Albuquerque, and Winslow and Kingman, in Arizona.

But the service and decor! A courier attended to the passengers' every whim, serving them tea and a hot lunch aloft on lavender place mats with goldplated flatware. Seats reclined. For greater comfort and legroom, there were only 10 seats instead of the 16 that could have been installed.

The combined air-rail one-way fare was $351.94 compared to today's one-way fare of $145 for nonstop coast-to-coast jet speed and comfort.

On inaugural day, Col. Lindbergh entered the office of California Gov. C. C. Young in Los Angeles where a telegraph loop had been rigged and contact had been made with New York. At 6:05 p.m. (EST), Lindbergh, "after staring fixedly at his wrist watch a moment," pressed the telegraph key that flashed the signal across the country to Pennsylvania Station in New York for "The Airway Limited" to pull out.

Newspaper accounts said: "Quiet, concise, confident, the youthful colonel sat at the edge of the governor's desk while the telegraph key, over which he had just dispatched the starting signal, clicked and sputtered. Col. Lindbergh smiled and nodded, then said earnestly: 'As people begin to use the airlines, they will discover that speed, safety and comfort are to be found in the air. They will discover such a saving in time that they will make use of air transportation whenever possible or whenever it is available.'"

Meanwhile in New York a ceremony was taking place in Pennsylvania Station. Following the customary ceremonial speeches, Miss Earhart, a passenger on the inaugural trip, christened "The City of New York," the TAT Ford Tri-Motor which had been on exhibition in the station.

Bearing plaques and messages from Mayor Jimmy Walker to the mayors of Los Angeles and San Francisco, the 20 air-rail travelers boarded the train for their overnight trip to Columbus. As the train pulled out, the Sunrise Trail Band of the Long Island Railroad struck up "California, Here I Come."

More than 5,000 people braved a steady drizzle the next morning in Columbus to watch the transfer at Port Columbus, the city's then new municipal airport. Following dedication ceremonies, two TAT planes, "The City of Columbus" and "The City of Wichita" roared off on the first air leg of the trip. Watching the take-off were Henry and Edsel Ford, manufacturers of the 10 Tri-Motors in TAT's fleet.

The diary of one of the passengers reveals what "luxury" airliners were like in 1929. Describing the takeoff, she said, "The din is terrific. Every throb of the propeller as it beats the air is like a thousand snare drums in your ears. But the courier comes forward to give you little pieces of cotton to stuff in your ears."

Flying at 5,000 feet and 100 mph after leaving St. Louis, the passengers were served a cold lunch, hot consomme and Missouri strawberries and shortcake. "A special treat from the Mayor of St. Louis, it says on a little card."

Over Kansas City she looked out and saw the airport "virtually in the center of town. What a boon it would be if all cities could bring the field so close to the center of things. It is a problem the airlines will have to face in the future."

In Los Angeles, the day after the train passengers had set out from New York, Col. Lindbergh was ready to fly TAT's first regularly scheduled eastbound flight. At the airport at 7 a.m. on July 8, Col. Lindbergh, in order to conform to a Department of Commerce ruling that forbade pilots from carrying passengers until they had made 10 flights in the particular type of ship to be used, took off 10 times, shuttled over the field and made 10 perfect landings.

"The City of Los Angeles" was christened by Mary Pickford with a bottle of grape juice (prohibition was still in force) shortly before Colonel Lindbergh took off for Winslow, Ariz., to the cheers of 30,000 on-lookers. Among his passengers was his bride, Anne Morrow Lindbergh.

The next day when the westbound passengers from New York arrived at Winslow, Colonel Lindbergh piloted one of the planes back to Los Angeles. Another great crowd

was gathered as he taxied the ship up to the grand stand. While passengers told reporters, "We've never been more comfortable or less wearied," Gloria Swanson christened the plane from New York with another bottle of grape juice.

In two days and two nights, 20 people in two airplanes had crossed the continent—2,343 miles by air and 970 miles by rail. No other scheduled passenger carrier had ever done that before.

And so it all began with fanfare, signals flashing across the country and movie stars. A few years later, the diary writer noted, "if we can believe what they are telling us about new planes coming along, someday another young Lindbergh, flying in a fast jet-propelled or rocket ship will make the trip so fast that he'll get there before he started." And so it may be in the '70s—because of the three-hour difference on the clock, a supersonic transport will arrive in Los Angeles before it leaves New York.

RECESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

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

(At 12 o'clock and 29 minutes p.m., the Senate took a recess, subject to the call of the Chair.)

(At 12 o'clock and 48 minutes p.m., the Senate reassembled, when called to order by the Presiding Officer (Mr. EAGLETON in the chair.)

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1970 FOR MILITARY PROCURMENT, 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 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. STENNIS. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. ALLEN in the chair). The pending business is amendment No. 108 offered by the Senator from Wisconsin (Mr. PROXMIRE).

Mr. STENNIS. I thank the Chair.

Mr. President, this matter was made the pending business yesterday. It was my impression at that time that there would be no debate on the amendment. However, I learned later that the Senator from Wisconsin planned to debate it. I had already made some other plans concerning other matters that I must look into in my home State.

I called the Senator from Wisconsin this morning and explained the situation. We had an understanding that each of us would proceed when we could. So in view of these other pressing matters, I am going to proceed, and I hope that the Senator from Wisconsin will be here before too long. I believe that he will.

Mr. President, the pending amendment concerns what we call the C–5A, which is a new, large cargo-carrying plane. The aircraft carries Army men and cargo as well as for the Air Force. It has just reached the point where we are close to having the production line product roll out, ready for use.

Mr. President, earlier in life one of my favorite teachers—one that I have remembered all of these years, not only for what she was, but also for many things that she said—laid down a cardinal guideline for her students in a special talk one day when she said, "Always keep your eye on the ball."

Regardless of all the things that may come up about the contract, who negotiated it, who signed it, who proposed it, and who went into the matter, the ball that we must keep our eye on is our national security.

The C–5A aircraft is an essential part in these modern times of the military plan for our national protection and our national security. Part of that plan for our national security is that we think it is necessary to protect certain other areas of the world as part of our front line defense.

This large cargo plane will replace others that we have in use at the present time that are not as adequate and do not have the qualities this one possesses. This is a modern plane.

As a member of the Armed Services Committee and the one member of that committee with special responsibility at this time, I have been disappointed repeatedly this year by the lack of surveillance over several contracts that has been exhibited by our Department of Defense. I have not only been disappointed in it, but frankly, I have been greatly surprised.

I have said several times during the last several years that whatever might be said about the past Secretaries of Defense concerning their judgment, the acts they performed or did not perform, and what advice they gave or did not give to the President, I thought that we were superb in our standing at the business table, at the contract table.

I really have been greatly surprised by the lack of surveillance and lack of attention given a number of these larger contracts.

I emphasize that if we really want to understand the matter, we must get on the ground and appreciate the great problems that go with a contract to create something that is not in being, to create a new concept of a plane, a missile, a ship, or a submarine, to conceive it in our minds from the beginning and get it on paper, and finally, through trial and error, starting and stopping, and changing and ordering, conceive it as an imaginary instrument and then moving from that imaginary stage into the realities of the hardware and the putting together of the pieces and the creation of a powerful item, like this plane, that will really operate.

We have to imagine this crisis over a 6- or 7-year period and the changes that will come about, the competition for the engineering talent and the scientific talent, the competition for various kinds of metals, the competition even in the skilled labor field and all of the things that go over a 6- or 7-year period. That is the time over which this contract has run.

I point out in the beginning that I strongly support the items now in the bill and the C–5A. However, I do not approve of the kind of contract that was used in this case. This was the first large trial that that type of contract had.

It will be fully explained later in the debate. I am just debating the matter now to hit the high points for the RECORD so that it might be read during the recess.

That contract will be explained fully and critically by each side of the debate, I think, but certainly I do not defend it.

I know it has been proven to be a bad type of contract, a type that should not be employed any further. Perhaps one of the reasons it worked so badly in this case was because, without having prior use, it was used for one of the largest contracts that we have ever gone into. At any rate, it did not work out for this case. It was bad for the Government and it was bad for the contractor, too, as will very readily appear.

The point I want to emphasize is that we must keep our eye on the ball. According to all the testimony, I believe we have a good product. We have a good plane. We have one that is beyond the expectations of the Air Force, beyond the requirements of the specifications. It has had its usual bumps during the trial-and-error period, but there is no evidence that it is not going to come through in a fine way, and its performance is beyond expectations and requirements.

I refer to one witness, the Senator from Arizona. I requested him to go down there and go through this plane, go over it, and I was very much pleased when he returned with his report. He not only looked at it but also flew it, and he will give a report on that.

We move now to this amendment. The amendment, Mr. President, seeks to strike from this bill $533 million for the procurement of 23 of these aircraft and certain lead funds.

We have what we call the No. 1 run, run A. That is composed of 58 planes in all—5 for research, development, and testing, and 53 for regular type, the finished product. All that has been taken care of by money that already has been authorized and appropriated. It is not involved in this bill.

So that moves us over to run B, under the contract referred to as run B, and that will consist of 57 planes in addition to the 58 I have mentioned; but this bill contains money for only 23

planes out of run B. At issue is the sum of $533 million for 23 C–5A aircraft.

What would be the effect of taking this money out of the bill with the adoption of this amendment? It should be understood that we do not have a single plane yet for use; but they are on the assembly line; they are moving. If this amendment is adopted, it would require a report from the GAO in 90 days; but that is purely incidental. It would take away the money for the plane. At the very best, we would lose 1 year. There would be a delay in the entire program. More money must be authorized by Congress; otherwise, the production lines will soon come to a grinding halt. We will have a standstill.

That is just a fact of life regarding this fine product which is just coming to fruition and which we need.

If we were to cut off the money, if we ever were to get any planes for use, the company would have to proceed solely with its own money to complete the first run of 58 planes, run A. It is estimated that if this should happen, the company would sustain a loss of at least $600 million. I doubt that any company can stand such a loss.

Incidentally, I wish to point out that no one estimates that this company is going to make a great deal of money even if it gets all the contract—the planes beyond the number called for by this bill. Various estimates have been made. The Air Force has estimated that the company will lose a certain amount, and the company says they will lose less than that. But all agree that there will be a loss to the company under either situation.

According to the contractor, Lockheed, if all the aircraft in run B are bought, its loss would be in the neighborhood of $13 to $15 million. The Air Force says that if we buy all it is possible to buy under run A and run B, they think the Lockheed loss will be in the neighborhood of $285 million. I mention that just to indicate that by no kind of figuring or estimates is this a contract in which the contractor is going to make money. There will be a loss either way it goes.

We talk about a 90-day investigation by the GAO—whatever that may mean. I will return to that later. But what the amendment really does is to take the entire project out of the bill and disallow the money.

There is one thing further about the number of planes involved, and it is not in the bill, and it does not have to be decided now. If the Senate keeps the money in the bill—as I trust it will do—there still will be a question of whether or not we are going to buy 34 additional planes at a later date. That is a matter that would be left up to the Defense Department initially. I do not know what their decision will be. I do not know what their recommendation will be. We cannot decide that now. That is just another mileboard down the road.

We cannot possibly come to it now. It is not involved in the bill. That is a judgment to be made by the Secretary of Defense. It would be up to him to make that judgment and to give Congress a recommendation.

Mr. President, if this program is killed now as a result of the failure to provide funds in the bill for the 23 aircraft now in question, additional Government costs will be over $100 million because there will be termination costs of at least $30 million and $72 million in long-lead funds approved last year and already committed. Those are costs that are involved in the termination of a contract. Sometimes we have to incur them in the termination of contracts. However, it is a necessary part of any contract involving manufacturing of extensive products like this. It is a cost of doing business. It certainly is to be considered and measured when we get into the question of whether or not we are going to terminate the manufacture of a product that is more than good, it is essential, and a product that we actually need in the years to come.

Mr. President, when these planes are placed in operation they will replace other planes and actual savings will be had in connection with the operation.

In connection with the matter about the General Accounting Office—and I mention this with all deference to that fine agency of the Government that is certainly a great deal of help to the Committee on Armed Services—they have advised me that this amendment provides for them to make a study and to report in 90 days. They have informally advised me that at the best, any study would take at least 6 months, even in connection with those items they are competent to study. They are not committing themselves by any means to saying they are competent and have the type men with the type training that would be necessary to carry out all of the requirements.

Mr. President, just a word about a matter that was in the newspapers lately. I wish to pause at this point to say that I think the Senator from Wisconsin has done a lot of fine work in this matter. He is diligent and he always pursues a matter. He is frank, clear, and forceful in giving a report to the Senate about his work. I am proud he is that type man. It is a pleasure to work with him in the Senate.

There has been a great deal of publicity and many fancy names used about this contract. They have called the C–5A contract the Golden Handshake, and so on. However, let us remember that the main questions are whether it is a good plane and whether we need it.

There has been a crack in the wing in the testing. A crack occurred in the wing in a static test on July 13. I am advised over and over by those who know—and other members of the committee would be more competent to speak on this matter than I am—that that is a normal expectation in every aircraft development. The failure occurred at 125 percent of the load for which the airplane was designed.

Every aircraft wing, as I understand it, is tested upward and upward to the point of breaking. That is how they find out the terminal point. Where does the strength of this mighty wing stop after all?

In this case it did not crack until it had reached the point of 125 percent of the weight for which it was designed.

As I said, almost all aircraft, particularly the heavier ones, have experienced failures of some components during static testing. That is what static testing is for. To determine the amount of stress and learn its breaking point. Wing failure occurred on the B–52A, our present so-called big bomber, at 139 percent of the design load. In the C–130A it occurred between 127 percent and 135 percent; in the C–130B it occurred at 139 percent; in the F–104G it occurred at 135 percent; and the C–141 had a main landing gear frame failure at 129 percent of load, a vertical tail failure at 135 percent, a fuselage failure at 120 percent, and a main landing gear failure at 145 percent.

Many additional examples could be cited. Failures of this kind are not unexpected. In fact, it is a part of the development and testing process regularly to be expected. They reveal these possible weaknesses in the structures at an early stage of development to permit design modifications in the production of aircraft.

We have had much debate here about the amount of money in this bill for research and development. This is an illustration of how far removed from real research, as we ordinarily term this, is this testing we have been talking about. Over and over again a good part of the money for research and development is really research, development, test, and evaluation.

If I have any bearing at all with the Department of Defense when they bring over the recommendations next year, they will have this research and development account, as they call it, broken down with more commonsense and divided up into categories where Senators will have a better opportunity to know what they are passing on.

What is the need for the C–5A?

Certainly that has already been established, or there never would have been such a plane devised and contracted for.

Six squadrons of the C–5A's will permit the phasing out of such obsolete and inefficient aircraft as the C–124's and the C–133's. "C" means here "cargo," Mr. President.

With the C–5A's we will reduce the number of airlift aircraft in the force by one-half while providing more than three times the transport capability.

Mr. President, that is the key fact in this whole debate.

Times have changed. Modern aircraft are altogether different. Versatility of the C–5A is greater and its capability more.

Thus, I repeat, with the C–5A's, we will reduce the number of airlift aircraft in the force by one-half, while providing more than three times the transport capability.

When we reduce the number of aircraft by one-half, we also reduce the number of pilots, navigators, and the rest of the crew members, including maintenance men—all will be reduced, including repair parts and all other items that go to make up the expensive line of operation. At the same time, we will have three times the transport capability.

Second, the C–5A's operating cost per ton-mile will be way lower than any

other airlift aircraft. It will be 2.9 cents for the C–5A against 5.3 cents for the C–141. That is the operating cost per ton-mile. It will be almost one-half as much for the C–5A as it is for the C–141 that is now in such extensive use.

Three, under any theory, the 23 aircraft in the fiscal year 1970 request are needed. They are ready now to start coming off the assembly line. These will take us only to four squadrons—the number I am talking about—81 aircraft versus the six squadrons of 120 aircraft, to be approved as a minimum requirement by the Secretary of Defense and the Joint Chiefs of Staff. That is under review by the Joint Chiefs all the time.

As I pointed out a few minutes ago, that will be a determination for the Secretary of Defense, as to whether the last purchase is made. It is not before us now. If he decides to quit at the end of the 81 aircraft that the bill will build up to, that is a matter of judgment, and also a matter of judgment for Congress whether to approve it, if the Secretary of Defense does recommend it. But this is no time to stop on a good plane just as the first ones start coming off the line for use.

Mr. President, despite cost overruns, every indication is that the Air Force will get an aircraft with fine performance characteristics. It is the only aircraft which can carry weapons and equipment of any Army division; namely, tanks, bridge launchers, armored personnel carriers, and helicopters, concurrently with the personnel associated with the equipment.

If the C–5A is used to carry only manpower, light equipment, and the lighter weapons, it is so large that it can carry an enormous load with great rapidity of movement.

Mr. President, we have heard a great deal of talk about overruns. I am going to be quite brief on that matter, but the idea is false that there can be a certainty and a fixed final figure in a contract like this, without running into a lot of big money, and it would cost just as much to the Government in dollars, even though not called overruns.

This contract had a form of sliding scale. If there had not been a sliding scale as to cost, any contractor, in order to protect himself, would have required a fixed amount, in much larger proportions, in order to provide a cushion of protection, even before we get to the concept of profits.

I have already mentioned profits. As I pointed out, so many changes came about that it not only caused the so-called overruns, but absorbed chances for profit.

I would in no way try to defend overruns as such in any kind of contract. I point out, however, that one reason for the genuine overruns has been the inflation which has been raging in our economy since 1964. There was a clause in this contract which covered part of the inflation, but we had an extraordinary situation existing during those months and years, which made the situation different from what it had ever been. I covered this point in my opening remarks on this entire bill, and I would like to restate my remarks at this time, which occurred on page 18590 of the CONGRESSIONAL RECORD of July 8.

MAIN REASONS FOR OVERRUNS

The committee has found as a general proposition that the principal reasons that the original cost estimates in these programs have been invalid in recent years are as follows:

First. Subsequent to the original estimates there were changes in the weapons programs, that is, revision to the total number of weapons to be produced and the schedule at which they would be produced, both factors causing an increase in the unit cost.

It is possible to alter these two factors in such a manner that unit costs will be reduced. However, such decisions in recent years have resulted in increasing the costs of these programs. The assumptions on which original estimates were made were therefore invalidated to the extent of these changes.

I think we have moved too rapidly from research into procurement with respect to some of these goods. In some cases, the need exists, accentuated by the war. So we had to move forward regardless of cost.

Second. The military services themselves have requested changes in the weapons through either a change in technology or a policy decision which caused an increase over the original estimate.

Third. There appears to have been a lack of sufficient management supervision over these various programs to take timely action to either correct or recognize, early, the overrun problem.

Fourth. There has been the fact of abnormal inflation since 1964, which has reduced the Defense procurement dollar to a substantial degree. There is no precise index on the effect of the Vietnam war on the procurement dollar itself. Some estimates, however, indicate that the overall loss of purchasing power of the defense procurement dollar would approximate 25 percent.

Inflation since 1964 has affected not only Defense moneys but many other activities in the economy.

Between 1964 and 1968 the interest rate on 3 months Treasury bills rose from 3.5 to 6.15 percent or an increase of 75 percent; the interest yield on FHA home mortgages from 5.45 to 8.05 percent, or an increase of 48 percent; services—less rent—rose 21.6 points from 117 to 138.6 or an increase of 18 percent; the cost of food rose 12.9 points from 106.4 to 119.3 or an increase of 12 percent.

I point this out not by way of excuse. I am not defending any of those contracts. The military as such and civilian groups as such were given some of the hard reasons why some of the increase occurred and have been given some comparison.

Mr. STENNIS. Mr. President, without attempting to fully cover all the ramifications of the contract and the plane, I have presented the high points of what the original conception was, the need for the plane, the contract, and the type of contract which was entered into in 1964. I have covered the fact that it proved to be the wrong type of contract.

I think one reason why the Department of Defense got into the contract for this large plane, involving so many millions of dollars, was that it just did not take time to try out that type of contract on smaller missions or smaller projects. If it had, these defects in it would have shown up. But that is all behind us now, and nothing can be done about it. We have to start from where we are.

This program is in fine form now, right to the point where the planes are going to start coming off the assembly line. We certainly will need the ones we have already appropriated money for. The number is 58 in run A; and, by all standards, we are going to need the 23 out of run B, as provided in the bill.

A great deal of testimony on this subject was taken by another committee. It is entitled to consideration, of course. We considered this item from every viewpoint. Then for all of the public who were interested, we had 2 full days of hearings, in which that testimony was taken. Nothing came out, either in public or private, that attacked the plane, or the product. Nothing came up that questioned the motives or questioned the impartiality of the Defense Department in awarding the contract. All the evidence is that, whichever way it goes, it is not going to be a profitable contract for the company. It is going to lose money, according to its own estimates and according to the Air Force. It is going to cost more money than we or they thought it would. We regret that, but it is another illustration that, over these long periods it is impossible to foresee what the future holds. Who can contract with certainty about the cost, particularly with things moving forward as rapidly as they are now in the field, for example, of electronics. It has gotten to the point where over half the cost of a plane is in electronics.

In preparation of this vast matter, we prepared a series of questions that related to the financial status of the program and the developments and effect of various lines of effort. We sent those questions to the Department of Defense for answers. I have the questions in my hand. The questions are ours. The answers are those of the Department of Defense.

Having checked through those answers, I believe they are substantially correct. The staff believes they are generally and substantially correct.

For the information of other Senators and all interested parties, I ask unanimous consent that the questions of the Senate Committee on Armed Services and the answers of the Department of Defense thereto be printed in the RECORD at this point.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

Question No. 1: Financial Status of the Program:

(a) How much has been obligated to date?

(b) How much has been expended to date?

(c) On what date will present funds be expended?

Specify these funds by fiscal year and those under the continuing resolution.

AS OF JUNE 30, 1969

[Dollars in millions]

Fiscal year	R. & D. Obligations	R. & D. Expenditures	Aircraft procurement Obligations	Aircraft procurement Expenditures
1964	10.0	10.0		
1965	42.0	42.0		
1966	158.9	158.9		
1967	278.6	278.6	385.6	383.7
1968	340.7	314.2	414.2	394.7
1969	123.6	68.7	443.7	414.2
Total	953.8	872.4	1,243.5	1,192.6

On July 28, 1969, the Department of Defense, under the authority of the continuing resolution for FY 1970, approved additional funding in the amount of $100 million to protect production continuity. Of the $100 million, $80 million has been obligated. The difference of $20.0 million will be obligated to the most urgent requirement consistent with the financial management of the total program. Based on the present rate of expenditure, presently available funds may be exhausted by 1 October 1969.

Question No. 2: Provide a summary of funds that have been authorized prior to fiscal year 1970 and indicate how they have been expended or obligated.

Answer:

R. & D. AND PROCUREMENT AS OF JUNE 30, 1969

[Dollars in millions]

Fiscal year	Program	Expended
1964	10.0	10.0
1965	42.0	42.0
1966	158.9	158.9
1967	667.0	662.3
1968	781.9	708.9
1969	624.7	482.9
Total	2,284.5	2,065.0

Question No. 3: Provide a summary of the effect on the present C–5A aircraft program if no fiscal year 1970 procurement funding is forthcoming and the program is delayed one year.

Answer: Failure to provide FY 70 procurement funding would void the current contract option commitments for Run B. The contract options between Lockheed and General Electric and their subcontractors and suppliers would lapse. The Air Force would be obligated to pay the $30.5 million Run B termination liability if requested by Lockheed.

The $225 million over target funds requested for FY 70 would still be required to fund the contracts from target to ceiling for Run A. Additional funds would be required because of the additional target and ceiling associated with the repricing application of the Run B option exercise in January 1969. These additional funds would not finance Lockheed until FY 1971 funds could be made available. It is doubtful that Lockheed would be able to finance on its own the costs of continuing the Run A production during this time period. As a result, there is a substantial likelihood that the contractor would be forced to default the contract for the Run A aircraft.

If it is assumed that the costs of continuing the current Run A production could be sustained by the cotnractor there would still be a production gap of about 18 months between Runs A and B. During this gap, as many as 40,000 employees could be affected. Up to 20,000 at Lockheed would probably be laid off and 20,000 involved with subcontractors and vendors either laid off or put on other work. The rehire and/or retraining of these people would be extremely difficult. Negotiation of the prices of the Run B aircraft after this delay would be in a sole source environment with no contractual commitments or price options available. A rough estimate of the cost increase is from $400–$550 million for Run B.

Reduction in the Run A production rate in order to stretch Run A and avoid a production gap would void the existing contract. Negotiation of the stretch in Run A production would probably permit Lockheed to recover most of its presently projected losses on RDT&E and Run A. This negotiation would be essentially sole source and again with no contractual commitments or price options. It is likely that the program cost increase would equal or exceed the cost increase associated with the gap in the production line discussed earlier. In addition, while the total number of employees affected would be reduced, the lower production rates would require almost immediate lay-offs of people by both Lockheed and their subcontractors and vendors.

Question No. 4: What have we received for this money so far? How many airplanes will be delivered from prior appropriations?

Answer: Thus far, the bulk of the R&D effort has been completed. Five R&D aircraft have been completed and about 600 hours of flight testing have been accomplished. About nineteen production aircraft are in various stages of assembly. A substantial amount of maintenance and operational training equipment has been delivered. The first operational aircraft is scheduled for delivery in December 1969. We have high confidence of securing a much needed strategic airlift capability with the delivery of an aircraft that will meet all of its performance guarantees. Fifty-eight (58) aircraft are contractually required to be delivered from prior year appropriations.

Question No. 5: Give a complete statement of the effect of the repricing formula and the reverse incentive on the procurement of the 23 aircraft proposed in the bill.

Answer: Our interpretation of the present contract is that the repricing formula came into effect when we exercised the Run B option in January 1969. It will apply to the 23 Run B aircraft requested for FY 70 and will result in a new target cost and ceiling price for the 76 production aircraft. This means that some, but not all of the contractor's RDT&E plus Run A over-ceiling condition will be eliminated. This over-ceiling relief would be only a fraction of that which would obtain by applying the repricing formula to all 57 Run B aircraft.

No reverse incentive (see questions 10 and 20) exists with the 23 aircraft being requested for FY 70. We are negotiating with Lockheed to eliminate the possibility of a reverse incentive, before more than the 23 FY 70 Run B aircraft are procured.

Question No. 6: What could the Air Force be expected to receive in the way of operational C–5A aircraft in the event no additional funds other than the $225 million for over-target costs on Run A in the present bill and prior year funds were available?

Answer: Contractually, the Air Force can expect to receive 58 aircraft when the $225 million is added to the Run A contracts. Realistically, in view of Lockheed's projected loss on the sale of only 58 aircraft, it is questionable whether the contractor could proceed if a decision were made not to buy any Run B aircraft. If the contractor defaulted the contract, it is possible some 10 to 20 airplanes could be delivered.

Lockheed is contractually committed to provide the 58 R&D and Run A aircraft. The Government is committed to provide the $225 million over-target funds requested in the FY 70 Budget plus whatever additional costs may result from the application of the repricing formula relative to our exercising the Run B option in January 1969. If Run B were terminated, an additional $30.5 million of termination liability would be also required.

Question No. 7: Is the company not legally committed to furnish 58 aircraft under Run A?

Answer: The company is committed to furnish five test aircraft under RDT&E and 53 operational aircraft under production Run A, a total of 58 aircraft. This commitment is legally binding so long as the Government meets its commitments. This means that funds must be provided in a timely manner for the allowable costs associated with producing these 58 aircraft.

Question No. 8: What changes, if any, are being considered in the contracting methods, i.e., repricing formula, abnormal escalation, etc.?

Answer: It is the Air Force's intention to change the C–5A Lockheed contract as follows:

a. Remove the reverse incentive possibility feature from the repricing clause, which does not arise until more than four squadrons are procured;

b. Incorporate a new delivery schedule in the contract;

c. Modify the methods of procuring/pricing spare parts;

d. Negotiate the disagreement as to the intended application of abnormal escalation. Other secondary issues and attendant matters will be clarified and resolved within the overall negotiation package.

e. Negotiate the scope and operation of the Correction of Deficiency Clause so as to better clarify its meaning and to facilitate its administration.

Question No. 9: Summarize in simple terms the cost elements of Run A.

Answer: The cost elements for R&D plus Run A may be expressed in the following way. These are based on the assumption that only three squadrons are procured and no repricing is involved.

	Cost to Government	Cost to produce
Lockheed-Georgia Co.	1,764	2,436
General Electric Co.	534	558
Other program costs	214	214
Initial spares	201	201
	2,713	3,409
or		
R. D. T. & E.	1,003	1,246
Procurement	1,509	1,962
Initial spares	201	201
	2,713	3,409

Question No. 10: Furnish a graphic analysis of how the reverse incentive operates.

Answer: Price adjustment in accordance with Air Force position: (Applicable Run A actual cost $1526M, Run A target cost $832M).

Quantity of Run B Aircraft	Increase in overall contract ceiling price (millions)	Increase in overall contract ceiling for each $1 over run A ceiling	Reverse incentive
AT–23	$292	0.66	No.
AT–33:			
AF position	393	.89	No.
Lockheed position	558	1.01	Yes.
AT–57	680	1.54	Yes.

Question No. 11: Can the Air Force give assurance that the reverse incentive provision will be deleted from the contract? Explain the manner in which the repricing formula will operate on the proposed procurement of 23 aircraft.

Answer: As Dr. Seamans publicly stated, the nature of the Air Force commitment beyond the 4th squadron is dependent upon the results of negotiations. In large measure, these revolve around the deletion of reverse incentive feature in the contract. This deletion is a prime negotiation objective of the Air Force prior to procurement of the balance of Run B aircraft. Presently,

operation of the reverse incentive on the proposed FY 1970 buy of 23 aircraft depends upon whether or not we procure the fifth squadron. If we stop at 23 aircraft, repricing of the contract target cost and ceiling will be made only on the basis of the items actually ordered. The total amount of Run B costs to be treated in the repricing formula will be just the target cost associated with the 23 aircraft and associated support. It is specifically noted that the procurement of the 23 aircraft does *not* involve any reverse incentive feature when the repricing formula is applied.

Question No. 12: Explain in precise terms the elements of the C–5A aircraft contract which will be controlled by military personnel and those elements controlled and administered by civilian personnel. In other words, what is the chain of authority for the contracting and administration of the program?

Answer: Authority and responsibility for procurement decisions concerning major Air Force systems, such as the C–5, rests completely with the Secretary of Defense and Secretary of the Air Force. Military people evaluate technical material, selection data and procurement approaches and make recommendations when required. Final decisions clearly and completely rest with the statutory civilian appointees with the Department of Defense.

Statutory procurement authority for executing contracts for the government within the Air Force flows from the Secretary of the Air Force through the Chief of Staff to the Deputy Chiefs of Staff (Research and Development) and (Systems and Logistics) and to the Director of Procurement Policy in Air Force Headquarters and then to Air Force Systems Command and Air Force Logistics Command.

Under this authority the Deputy Chiefs of Staff and the Director of Procurement Policy are responsible for providing the Commands with broad policy and procedural guidance resolving issues beyond Command jurisdiction, assessing Command compliance with established policy and guidance, and for supporting the Air Force Secretary in connection with his statutory and administrative responsibilities to Congress.

In the C–5 aircraft and engine procurement, the Air Force followed its standard source selection procedures. The Air Force Secretary was the Source Selection Authority. The Source Selection Advisory Council and Evaluation Board functions were carried out by senior military members of the Aeronautical Systems Division and C–5 System Program Office respectively at Wright Field, Ohio. Contractors submitted proposals covering all elements in great detail. Proposals were evaluated by a large, highly skilled group of specialists specifically picked for the task. Recommendations of these Source Selection bodies were reviewed at appropriate levels in the Command chain up to the Air Force Secretary. Based on a detailed review of these recommendations plus those of the major Commanders and Chief of Staff, the Air Force Secretary determined that the recommendation of General Electric for the engine would be accepted and the award of the airframe contract to Lockheed was in the best interest of the Government. The Air Force Secretary provided a detailed report to the Secretary of Defense.

In addition to source selection decision, others are required during regularly scheduled program reviews, program change requests, or when a program varies from the cost schedule or performance requirements of the contract. Again, these decisions are made by the Secretary of the Air Force or Defense.

Question No. 13: The current cost estimate under which you are operating is based on a study culminating in late October which is now ten months old. Lockheed and the Air Force have serious disagreement about certain provisions of the contract and how they apply. The question is, if the October 1968 estimates should be substantially wrong—substantially lower—and the alleged ambiguities in the contract should be decided in favor of Lockheed, how does the Government exposure change?

Answer: The Government exposure will increase if our October estimate to complete production Run A (53 aircraft) is substantially low. This is so because in exercising the Production Run B option in January 1969 we activated the price adjustment clause.

The Government exposure is the contract ceiling price and the price adjustment clause adjusts the contract ceiling price. Operation of the price adjustment clause and the resultant increase in ceiling price, is dictated by (1) the cost to complete Run A aircraft, and (2) the total number of Run B aircraft procured.

In addition, if the abnormal economic escalation estimates increase, the contract ceiling would increase further by that amount.

The current negotiations with Lockheed are being conducted with a view toward mutual resolution of all of the ambiguities presently in the contract. One of the principal ambiguities relates to the use of the abnormal escalation in the repricing formula. Should we be unable to resolve these ambiguities in negotiation, the Armed Services Board of Contract Appeals (ASBCA) and/or the courts would be resorted to. A judgment favorable to the contractor in these cases would also increase the Government exposure.

Question No. 14: Based on the October cost data, what was the estimated cost per aircraft

(a) Under Run A with 53 aircraft? (5 R&D not included)

(b) Under Run A plus 23 aircraft of Run B?

Answer: The procurement cost for the 53 Run A aircraft (assuming completion of the Run B buy) was estimated at $1,904 million for an average cost of $35.9 million per aircraft. If we had decided at that time not to buy Run B, the repricing formula would not have become effective. The procurement cost of the 53 aircraft would have been $1,509 million for an average cost of $28.5 million. It is very unlikely that this cost would be valid if we decide now (after exercising the Run B option in January) not to buy Run B. The cost of the Run A aircraft would probably be decided in court, if the aircraft were produced at all. The average price would probably be substantially higher than $28.5 million. As noted earlier, however, there is no assurance that Lockheed would be able to complete Run A if Run B is eliminated.

If we procure Run A plus only 23 aircraft of Run B (76 production aircraft), considering the effect of the price adjustment clause, the average procurement (flyaway plus AGE, training, and data) cost for the 76 aircraft would be about $29.9 million.

Question No. 35: On page 24 of the C–5A study the following appears:

"It should be noted that the costs to the Government reflected above are based on the detail cost review completed in October 1968. There is a distinct possibility that costs may continue to increase. A quick look cost review is now in the process of being completed by the Aeronautical Systems Division (ASD). Preliminary information from this cost review indicates that the estimated cost to complete the program (i.e., the contractor's cost) may increase above the October 1968 estimates."

Furnish some estimate as to what the maximum cost to completion will be, based on the information now available.

Answer: A revised cost estimate is now being completed by the System Program Office. Preliminary information indicates a potential increase in the two to four percent range for the six squadron program. Part of this increase is associated with the schedule slip. The October 1968 estimate was based on a Run B production rate of four aircraft per month. The Air Force changed to three per month in order to extend the decision time for the fifth and sixth squadrons pending more definitive cost data. That action extended the production period several months and results in some increased cost in Runs A and B. These factors combined with increased inflationary trends contribute to the potential cost increase.

Question No. 16: How will the spares be provided and how will it affect the contract?

Answer: We are now negotiating with the contractor to determine specifically how the spares are to be provided and how their procurement will effect the contract. Our intent is to get good spares at reasonable prices. We intend in our negotiation to establish a reasonable break-out of the spares and insure that we procure from Lockheed only those spares and equipment that cannot effectively be procured directly from the supplier. We do not intend for the procurement of the spares from Lockheed to off-set the losses expected to be incurred as a result of their RDT&E and Run A efforts.

Question No. 17: Is the aircraft meeting all performance specifications, specifically, the sink rate, the lower flap speeds, and wing failure?

Answer: The aircraft is predicted to meet or exceed all of its mission performance guarantees. Its weight empty is projected to be exceeded by less than 1%. However, the aircraft is more streamlined (less drag) than required and this more than offsets the slight additional weight and permits it to meet or exceed the performance guarantees. Some minor changes were made to some specifications. This was done to produce a better airplane through a more balanced design and to reduce cost to the Government. No degradation of safety or mission performance resulted. Equitable consideration was received by the Government. The sink rate, flap speeds, etc., all meet established military standards. Critics who do not understand the technical details may allege the Air Force reduced criteria to "help" the contractor. This is not the case. For instance the sink rate was changed from 10 feet per second maximum to nine feet per second. The FAA standard is 10 FPS; but the FAA allows a lower weight for 10 FPS. The Air Force nine FPS at a higher weight is equivalent to the FAA standard of 10 FPS at its lower weight.

The flap speed criteria change affected only the use of full flaps. The criteria for use of partial and take-off flaps were not changed. Since the flaps on the C–5 are not considered a braking device, the reduced speed for use of full flaps will impose no diverse limitation on operation or performance.

The static test failure in the wing of the test article was not related in any way to any specification changes made. This failure was not unusual for the static test program the purpose of which is to demonstrate the aircraft capability to withstand flightloads up to 150% of its design limit load.

Question No. 18: How many significant changes have been made and have any of them resulted in a degradation of the performance specifications?

Answer: Only minor changes have been made in the specifications as outlined in the answer to Question 17. None have resulted in any degradation of the mission performance of the airplane.

Question No. 19: How real is the threat of termination if no funds are available by the end of August?

Answer: The contract, as amended, permits Lockheed to request termination if Run B funding is not provided before 1 September. The contract also permits equitable cost and schedule adjustments associated with the funding delays. The purpose of these provisions is to maintain program continuity and to protect vendor commitments. The risk of termination, depends largely on the con-

tractor's confidence that FY 70 funds will be ultimately provided. Both contractors have a number of subcontractor funding commitments which must be met. The Air Force would attempt to assist in this interim funding problem. It is likely, however, that there would be a cost increase to the program. If funds were delayed for several months after the 1 September date, it is probable that a number of the vendors and subcontractors commitments would lapse. There would be a substantial cost increase and a schedule slip. The General Electric contract does not permit them to request termination if funding is delayed but price and schedule adjustment could result, depending on the extent of the delay.

Question No. 20: Define in simple terms:

(a) The meaning of the repricing formula

(b) The reverse incentive as it applies to the repricing

Answer:

(a) The intention of the repricing formula was to preclude catastrophic losses to the contractor. A formula was developed in recognition of the early commitment to operational aircraft prior to development. The clause provided that if the actual costs associated with the production of Run A aircraft exceeded the contract target costs for that effort by a specified amount or greater, the contractor is entitled to an adjustment in the overall target and ceiling price. The amount of this adjustment and the changes to the contract prices are determined pursuant to the application of the formula. Until the target for Run A aircraft are exceeded by 130%, the repricing formula is not invoked.

(b) A point can be reached where, for each additional dollar of cost occurring in the production of Run A aircraft, the result is an increase in total contract target and ceiling of more than a dollar. This potential could encourage a contractor to add costs to Run A so as to reduce his overall loss on both the Run A and the Run B production.

Question No. 21: What would be the impact of delaying appropriation of FY 70 funds for procurement of the Run B aircraft until after completion of a 90 day review of the program?

Answer: The Air Force has requested $533 million for the 23 FY 70 aircraft of Run B. In the event the appropriation of FY 70 funds is delayed 90 days, the actual delay in applying these funds to the C-5 contract would probably amount to four or more months. The Lockheed contract as amended requires FY 70 funds for the 23 aircraft to be on contract by 1 September 1969. The contract stipulates that if such funds are allotted after 1 September, an equitable adjustment in the price, delivery schedule, or both may be made provided the contractor has incurred additional costs or delay due to the funding delay. Further, the contractor can request termination for convenience of the Government in the event funds are not allotted by 1 September.

There would be a substantial impact associated with this funding delay. Existing contract options between Lockheed and General Electric and their subcontractors and suppliers would be voided. As a result, production costs would increase by about $140 to $170 million depending on whether the Run A delays were stretched to preclude a production line gap or not.

Mr. STENNIS. Mr. President, for the time being, that will conclude my remarks. I believe they are the main high points.

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

Mr. STENNIS. Mr. President, I yield to the Senator from Virginia, a valuable member of our committee.

Mr. BYRD of Virginia. Mr. President, I would like to say a few words with regard to the Senator from Mississippi.

This is the sixth week that the Senate has been debating the pending legislation.

During all this time the Senator from Mississippi has been on the floor and he has carried the burden of answering the many questions—proper questions—which have been put to him as committee chairman.

I doubt if there have been any committee chairmen in recent years who have been under such intense pressure in regard to work here on the floor for such a long period of time as has the distinguished Senator from Mississippi in handling on the floor of the Senate this very important and very difficult bill.

When the legislation was first submitted, the budget request sought by the Johnson administration totaled $23 billion. Then the new administration came into office, and the budget request was revised somewhat to $22 billion. Then the Committee on Armed Services, of which the Senator from Mississippi (Mr. STENNIS) is chairman, went over this proposal in great detail.

The bill which finally came before the Senate represents, in round figures, a total of $20 billion for procurement of military weapons for the fiscal year 1970. So the committee brought about that reduction and now recommends to the Senate that the budget request of the Nixon administration be reduced by $2 billion.

I favor such a reduction.

That is, in round figures, a 10-percent reduction.

The committee is aware of the need to carefully scrutinize all items in the budget, whether it be a budget for the Defense Department, or a budget for the Department of Health, Education, and Welfare, or any of the other departments of the Government.

The committee went into these matters very carefully and, as I mentioned before, has recommended to the Senate that the authorizations for military procurement be reduced from the amount originally requested by $2 billion.

That is a substantial reduction, but I think it is one that can be sustained.

I think that we can accomplish, with the reduced amount of money, all that is necessary to be done to protect the security of the United States.

I say again, Mr. President, that I have great admiration for the way the distinguished chairman of the committee, the Senator from Mississippi (Mr. STENNIS) has handled this legislation on the floor of the Senate during 6 difficult weeks. The hours have been long each day, and there has been a keen debate. I say to those whose viewpoints have differed from those of the Senator from Mississippi and the Senator from Virginia that I think it is important and desirable that Senators do just what they have done for the past 6 weeks: go into these budgeted figures item by item, and require justification.

I believe that the Senator from Mississippi has fully justified what the committee has recommended, and I state again that I am pleased to be associated with the distinguished Senator. I commend him on his handling of a very difficult problem over a long period of time.

Mr. STENNIS. Mr. President, I thank the Senator from Virginia for his gracious remarks. What little I have done required much help, and help was forthcoming from many different sources, including the Senator from Virginia. He played an important part in the making of this bill, in tearing it apart, as it were, and then putting it back together. We all owe him a debt of gratitude for his fine work; I do, particularly as chairman of the committee. I appreciate his statement, and I give him fair warning that I am looking forward to getting a lot more work out of him.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, before I yield to the Senator from Indiana, which I shall do in a moment, I wish to say that I concur in everything the distinguished Senator from Virginia has just stated about the distinguished Senator from Mississippi. This has been a very difficult and trying 6 weeks for him. He has done a magnificent job. I, as one who has disagreed occasionally with the Senator from Mississippi, can say that he has been most helpful and accommodating, though he has certainly been under unusual pressure. Rarely in the 12 years I have been in the Senate has any chairman had to meet challenges as often as has the Senator from Mississippi on this measure; and he has done the great job of meeting them.

I agree wholeheartedly that this debate is certainly in the national interest, as well as in the interest of a more intelligent and healthy fiscal policy.

Mr. STENNIS. Mr. President, I thank the Senator from Wisconsin. There has been a little effort, from some sources, to try to drive a wedge between Senators who might have differing viewpoints. I am proud of the Senator from Wisconsin for not letting them do it. I, too, did my part in not letting them do it. After all, we are all here working for the same cause. I do not deserve any credit for the days I have spent on this floor; for it is a privilege to be a Member of this body. It has been a little bit rugged at times, but it is a privilege, and I think trying to do our duty is reward enough for all of us.

Mr. PROXMIRE. Mr. President, I think every Senator is proud of the way that the Senator from Mississippi has done his duty and handled his work on this measure.

I yield now to the Senator from Indiana.

Mr. HARTKE. Mr. President, before I begin my prepared remarks, I, too, would like to express my appreciation for the outstanding work done by the Senator from Mississippi. He is well versed and well informed, and takes the debate in his stride, in a manner he might not do if he did not have the feeling that the debate on the Senate floor is entirely sincere on both sides, and with good purpose, and that differences of opinion do not necessarily mean that those who hold them are disagreeable otherwise. The Senator from Mississippi has stood up extremely well under the strain, and I compliment him, before he leaves the floor for a well-

deserved recess, for the fine work he has done.

Mr. STENNIS. I thank the Senator from Indiana. He has always been an important contributor to the debate on these matters.

F–14: A $25 BILLION MONUMENT TO THE PAST?

Mr. HARTKE. Mr. President, the pending military procurement bill contains a $239 million authorization for the purchase of a new Navy fighter plane, the F–14A. This item is significant because it marks the first procurement request for a new fighter system which may run to a cost of nearly $25 billion over the next decade. In this year of the taxpayers' revolt, I believe that no new system of such major proportions should escape close congressional scrutiny.

My own interest in the F–14A has been heightened by some disturbing news—I have been informed that according to a recent cost comparison study conducted by the Pentagon, the relative cost of carrier-based fighter strength far exceeds the cost of comparable land-based strength. The F–14A, a carrier-based fighter, will require reevaluation if these high costs can indeed be avoided by basing our air strength on land. At any rate, our consideration of the F–14A should be undertaken with full knowledge of these cost relationships, and so I am requesting today that the Defense Department release to the Congress this most recent study of the problem, which clarifies the economy of land-based air strength and which adds measurably to the doubts which already surround the proposed F–14A. I have sent a letter to the Secretary of Defense requesting the immediate release of this revealing cost comparison study.

It will be difficult, of course, for the U.S. Senate to conduct its own study of the F–14A. This new fighter aircraft is an enormously complicated weapon, just as complicated as the ABM or the MBT–70. The features of the F–14A must be described in a technical jargon which requires our closest attention; the need for the F–14A must be measured in uncertain probabilities about the future; and the high cost of the F–14A must be judged against the far higher cost of inadequate military preparedness.

But we must not let these difficulties prevent us from taking a hard, critical look at the F–14A. Whenever the expenditure of so much money is at issue, the Congress has a responsibility to do no less. Accordingly, I shall outline some of my own doubts about the F–14A, and suggest some alternatives to the blank-check approval of that weapons system which is found in the bill as it reads today.

In the words of Secretary of the Navy John Chafee, the current F–14 program is an outgrowth of the cancellation of the F–111B, the Navy version of the ill-fated TFX tactical fighter-bomber. In fiscal year 1969 Congress appropriated $130 million to finance engineering development of this new plane; and now, for fiscal year 1970, the Senate Armed Services Committee has recommended approval of the $224.6 million F–14A procurement request, with an additional advance procurement of $14.4 million.

These funds represent new obligational authority for development only—technically, real production of the aircraft will not begin until fiscal year 1971, according to Assistant Secretary of the Navy Robert A. Frosch. This year's money will be spent building airplanes, but test and evaluation models only, not full-scale production models.

The F–14, when fully developed, will be a multipurpose carrier-based fighter. The A model, designed to become operational in 1973, will be a swing-wing, tandem seating, supersonic aircraft—with a new airframe design incorporating the engine and the avionics of the now abandoned and ill-fated F–111B. It was envisioned as a replacement of the Navy's F–4 Phantom, to perform a fleet air-defense mission, carrying the yet-to-be-developed Phoenix air-to-air missile. The F–14B and F–14C models will become operational in the middle and late 1970's as advanced technology engines and advanced avionics become available to replace the older component systems planned for the F–14A.

Doubts about the wisdom of producing the F–14A in quantity stem in part from this mismatch between a new airframe and an old engine. By producing the F–14A, the Navy hopes to replace our F–4's by 1973, 2 years before the F–14B is scheduled to become operational. This may be a worthy goal, but it is not yet clear that a hybrid aircraft such as the F–14A is the proper means to reach that goal. By rushing the F–14 airframe into production before its engine and avionics components are fully developed, the Navy may find itself saddled with an expensive, low-performance substitute for what it really needs, resulting in the worst of both worlds.

Surprisingly, well-known flaws in the F–14A design are not even mentioned in the committee report. That report describes the F–14A as an aircraft of "superior range, endurance, and maneuvering performance over the F–4, allowing greater utilization of its supersonic capabilities in the combat situation." This evaluation is misleading because it does not mention the fact that the air combat performance of the F–14A has been compromised by its multipurpose specifications and its hybrid design. The airframe of the F–14A was not designed to carry the heavy weight of the F–111B engine, and when fully loaded with the 1,000-pound Phoenix missiles, the aircraft will not be capable of anything approaching superior performance. I have learned that the acceleration of the F–14A, when it finally becomes operational in 1973, will be less than the best Soviet fighter in operation today, in 1969.

The committee report also fails to mention the serious difficulties which have plagued the Phoenix missile, the complement to the F–14A. I have learned that the Phoenix, which has been under study and development since 1957, was tested live for the first time only last year. These tests, however, did not measure the capability of the weapon against maneuvering targets, multiple targets, or jamming. The Phoenix missile is fantastically complicated—five times as complex as our next most sophisticated radar missile—and we must not take its successful development for granted.

Finally, and perhaps most important, the committee report failed to mention the conceptual flaws of the F–14A system. Technical difficulties aside, it is simply not clear that a carrier-based fighter is needed in the 1970's. This brings me back to my point about the relative costs of land and sea based air strength. But it also raises the question of just what mission the F–14A would perform. The F–14A was originally designed to protect the fleet from a Soviet bomber attack, but as we know, the Soviet bomber threat has never materialized. Chairman MAHON of the House Appropriations Committee made this point clearly enough during hearings in 1968 when he said:

> The bomber threat against the fleet, as you know, has been predicted by Navy officials for some time. It has not, of course, developed to date.

I understand that Chairman MAHON has expressed concern again about the substances of this, even as late as today.

Later in 1968, a report on the U.S. tactical air power program by the Senate Armed Services Preparedness Investigating Subcommittee, made a similar assessment of the Soviet bomber threat, and drew the obvious conclusions with regard to the F–14A when they said:

> The F–111B was designed primarily for fleet air defense against Soviet supersonic bombers. But that threat is either limited or does not exist; and therefore, we believe the Navy should re-examine the prime requirement for the VFX–1 (F–14A) as to its most important role, in the light of the most predictable threat to the fleet.

If our fleet were to come under Soviet attack in a conventional war situation, of course, Soviet submarines would pose the most predictable and by far the greatest threat to our carrier force. As unlikely as that contingency may be, it is clear that the F–14A will not be of much help in meeting the danger of a submarine attack.

Clearly, the F–14A deserves a more critical appraisal than it has received to date. My own assessment of the F–14A suggests two alternatives to blank check approval. First, we could prohibit the purchase of any production model F–14A's. Second, we should deal with the conceptual as well as the technical flaws in the system. We should admit to ourselves that a multipurpose carrier-based fighter is never going to be able to provide superior air combat performance.

It has been 20 years since the United States has developed a single purpose, air-superiority fighter; in those same 20 years the Soviets have developed four such fighters. Our air superiority over the Soviet Union could be threatened if we continue to develop TFX-type multipurpose designs.

The proposed Air Force F–15 shows more promise than the F–14A for this very reason. There has been a firm determination, reinforced by a directive from the Air Force Chief of Staff, not to compromise air-superiority capability of the F–15 through corollary mission requirements. Unlike the F–14A, the F–15 will be a single seat, fixed wing aircraft with a thrust-to-weight ratio of better than 1 to 1. I believe it is a mistake to assume that anything less will provide us with

adequate air combat strength, and I believe that we must pass judgment on the F–14A with this comparison in mind.

In conclusion, Mr. President, I hope that my remarks will stimulate a more thorough review of this $25 billion weapons system. I intend to continue my discussion of the F–14A until all relevant information has been made available to the Congress, and until the troublesome issues which I have raised are fully clarified.

I ask unanimous consent to have printed at this point in the RECORD a letter written by me to Secretary of Defense Melvin Laird under date of August 13, 1969.

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

AUGUST 13, 1969.

Honorable MELVIN LAIRD,
Secretary, Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As the Senate continues to review the pending military procurement bill, it will be helpful to insure Congressional access to all relevant information detailing comparative cost and advantages of various weapons systems under consideration.

Accordingly, I would like to request the release of a cost comparison study, conducted in the Office of Systems Analysis, which measures the relative cost of carrier-based and land-based air strength.

Sincerely,

VANCE HARTKE,
U.S. Senator.

Mr. HARTKE. Mr. President, I thank my friend, the distinguished Senator from Wisconsin, for yielding.

C–5A: AN UNNECESSARY PLANE—A FISCAL DISASTER

Mr. PROXMIRE. Mr. President, I thank the Senator from Indiana, and I thank him especially for the substance of his remarks.

I think it is most desirable that this very expensive, new plane which is of highly questionable value be critically examined, as the Senator intends to examine it.

I think this has a great deal of merit. It is an example of how we can save a great deal of money. Certainly, by means of fiscal pressure, the Senator from Indiana and I will try to hold down the budget and decrease the immense amounts being spent in the military area.

I think the Senator has found one area in which we can make substantial savings without any real loss.

Mr. HARTKE. Mr. President, I thank my friend, the Senator from Wisconsin. He is well known for his diligence in pursuing such matters. He is trying to cut down on the Government expenses where it can be done without threatening our national security.

C–5A: AN UNNECESSARY PLANE, A FISCAL DISASTER

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

Mr. President, the purchase of the C–5A by the Air Force from the Lockheed Corp. already represents one of the greatest fiscal disasters in the history of Federal procurement. The purpose of my amendment is to make the best of a bad situation, to suspend pouring good money after bad, to permit an investigation based on current data and the latest analyses.

WEAK CONTRACT

The C–5A contract is one in which there is now every evidence of a "buy in" bid. That is a deliberate low bid, impossible of fulfillment, in order to get the award of a major contract.

It is a contract in which the target cost has been greatly exceeded.

It is a contract in which the "ceiling cost" has also been broken.

It is a contract in which there is a $2 billion overrun.

The planes are being built in a Government-owned plant, with large amounts of Government-owned machinery, and where huge "progress payments" are made which in effect supply the working capital.

The Federal Government investment in this matter is very great. The Lockheed investment is minimum.

REVERSE INCENTIVE

But, in addition, it is a contract which has a repricing formula in which there is a blatant reverse incentive. If the costs of the first 58 planes exceed the original estimates, the contractor is rewarded. Each additional plane will cost more, not less. The contract gives incentives for excessive costs and inefficiencies. Just think of that: the contract gives incentives for excessive cost and inefficiency.

It is a contract in which the "reverse incentive" becomes effective if any part of the second run of planes beyond the original 58 is authorized. This is the "golden handshake" in which millions are at stake in my amendment.

It is a contract under which there is already a 6-month delay in delivery.

MODIFIED SPECIFICATIONS

It is a contract in which the original specifications have already been modified and reduced. FAA requirements are not to be met. The landing sink rate has been modified. The wing stress failed to meet specifications.

It is a contract in which the contractor has thus far failed in meeting key requirements in some aspects of quality, timely delivery, and costs; and, under its outrageous terms, the contractor will be rewarded for inefficiency if my amendment is not adopted.

HEARINGS BY COMMITTEES

The Subcommittee on Economy in Government first looked into the C–5A last November. Since that time at least three other congressional committees have held hearings and heard testimony about this contract. In addition, a recent study has been conducted by the Air Force. The Air Force study, entitled "Review of the C–5A Program," was released on July 28, 1969. The striking fact, however, is that none of the investigations of the costs of the C–5A since last year have been able to proceed on the basis of any significant and substantial information gathered since the hearings before the Subcommittee on Economy in Government in November 1968. The fact is that even the recent Air Force review, published only a few weeks ago, failed to gather any new cost data. I quote from the Air Force study:

It should be noted that the costs to the Government reflected above are based on the detailed review completed in October 1968.

The information gathered by the Subcommittee on Economy in Government was also based on the cost review completed in October 1968. That information led the subcommittee to conclude that there would be a cost overrun in the C–5A program of approximately $2 billion.

Mr. President, I point out that only five of these planes have been produced out of 120, and they already have an overrun of $2 billion in a contract that originally was to call for $3.4 billion. It is costing $2 billion more than that. Specifically, according to testimony received by the subcommittee, the original estimate of the cost of 120 C–5A airplanes was $3.4 billion. Because of cost overruns mainly being experienced in the performance of the Lockheed contract, actual costs would total $5.3 billion. These estimates included the cost of spare parts. I will come back to the subject of spare parts later, because I am sure there will be a dispute on the floor with respect to this matter when we return in September; and there was a dispute when I was briefed by the Assistant Secretary of the Air Force, Mr. Whittaker, as to the actual size of the overrun. The difference is that, somehow, the Air Force does not want to include all the spare parts, including replenishment parts. When they are questioned on it, they admit that the spare parts are essential parts of the plane. They have to be purchased. They should be included both in the first estimate and in the last estimate, and that is what I have done.

EMBARRASSING FACTS

At first the Air Force refused to comment on the C–5A cost overruns. I can well understand this refusal. In light of earlier Air Force assertions and representations to Congress about the C–5A, it must have been extremely embarrassing for the Air Force when these facts came to light. Only a few months prior to our hearings, the Air Force had testified before another committee of Congress that the current costs of the C–5A were within the original cost estimates—in other words, no cost overrun. For example, on March 6, 1968, Alexander H. Flax, Assistant Secretary of the Air Force for Research and Development, testified before the House Subcommittee on the Department of Defense, of the Committee on Appropriations. Secretary Flax was asked whether C–5A program was within the original cost estimates. He replied:

We believe it is within the range between the target and ceiling costs at the moment.

Secretary Flax went on to say:

According to the best estimates of people in the program office the contractor is in the range where he should be between the target and the ceiling costs.

Secretary Flax added that the average weapons systems cost of the first 53 production aircraft would be $22 million each, and that the average weapons systems cost for the first 115 aircraft would be $18.6 million per copy. To be generous with Secretary Flax, his testimony was wildly overoptimistic.

SECOND TESTIMONY

On May 8, 1968, the Air Force again testified to Congress, this time before the Senate Subcommittee on Appropriations for the Department of Defense. General Robert G. Ruegg, Deputy Chief of Staff, Systems and Logistics, was asked to describe the C–5A program. He responded:

The design, development and manfacture of the C–5A aircraft is progressing very satisfactorily and is generally on schedule.

General Ruegg then stated that the current average weapons systems unit cost for the approved program of 120 C–5A aircraft was $19.6 million per plane.

It should be noted that there is a slight discrepancy between the testimony of Secretary Flax before the House Subcommittee on the Department of Defense of the Committee on Appropriations and the testimony of General Ruegg before the Senate Subcommittee on Appropriations for the Department of Defense. The discrepancy amounts to a mere $1 million per plane. Secretary Flax testified that the cost would be $18.6 million for 115 aircraft, while General Ruegg testified that the aircraft would cost $19.6 million for 120 aircraft.

It seems strange that the unit cost of 120 aircraft would be more than the unit cost of 115 aircraft. But this discrepancy and this confusion in the wake of the real facts as we now know them is neither here nor there, unless one were to expect consistency and accuracy on the part of the Air Force with regard to the costs of its weapons systems. Again to be generous to General Ruegg, his testimony on the costs of the C–5A was also wildly overoptimistic.

COST AND DELIVERY SLIPPAGE

The point is that the Air Force has been asserting as recently as 6 months before the hearings before the Subcommittee on Economy in Government—my subcommittee—that there was no C–5A overrun, and the Air Force assured Congress that the program was proceeding satisfactorily. These assurances, by the way, related to the delivery schedule and to the performance of the C–5A as well as to the costs. Both of the Air Force spokesmen to whom I have referred also testified that the plane would be delivered on time, and that the first delivery was scheduled for June 1969. They also testified of their high expectations of the performance of the plane. Now we know that these claims were also overoptimistic. The fact is that a substantial delivery slippage has occurred. The Air Force was to have its first C–5A's last June. They were not delivered. In other words, the contractors have already failed to meet their delivery schedule. The first deliveries are now scheduled for next December a slippage and delay of 6 months.

Whether the plane when it is finally delivered will perform according to the contract specifications is also a question, in my opinion. For we have learned that the C–5A has developed a wing crack during static testing in the last few weeks. Just how serious this wing crack is and how it relates to the overall strength or weakness of the C–5A aircraft has not been publicly disclosed so far.

In any event, one can well understand the embarrassment of the Air Force to see the public disclosure of the $2 billion overruns in November 1968.

HUGE FUNDS AT STAKE

Mr. President, $2 billion is a phenomenal amount of money. These are not the funds for the yearly procurement of an entire military service. Two billion dollars is the amount of money by which costs will exceed the estimates on one weapon system alone. That is the hard, shocking, scandalous fact.

Look at the alternatives to spending the money on the overrun.

Two billion dollars would pay for the housing subsidy under the new homeowners section of the 1968 Housing Act, for some 3⅓ million housing units for poor families for an entire year. Yet we are having trouble getting the full $100 million for that program. The $100 million needed for the program for the entire country is only one-twentieth the $2 billion overrun on this one plane.

COMBAT TROOPS

Mr. President, the $2 billion, at $10,000 per man per year, would finance the pay and allowances and associated personnel costs for 200,000 combat troops or more than 10 combat divisions for a full year. That is why many of us say this country would be stronger if we spent defense funds more efficiently.

The $2 billion overrun on one plane and one contract would finance all the economic assistance or AID funds in the fiscal 1970 budget of $1.973 billion.

The $2 billion is five times the amount in the budget for rural electrification.

It is more than five times the amount the Interior Department will spend on all forms of recreation.

The $2 billion excess to be spent on the C–5A is almost 20 times the $212 million in the Department of Transportation budget for urban mass transportation to which the President addressed himself with such vigor in the past few days—and high-speed ground transportation programs which are desperately needed.

DOUBLE HOUSING FUNDS

It is almost double all the funds we intend to spend in 1970 for low- and moderate-income housing by HUD.

The overrun on the C–5A is more than twice as much as we intend to spend in this entire fiscal year for low- and moderate-income housing for the entire country. If there is one economic shame in this country, where we have really fallen down, it is in low- and moderate-income housing.

It is only slightly less than all the $2.3 billion in the fiscal 1970 budget for Federal outlays to elementary and secondary education.

The C–5A overrun would virtually pay for all non-service-connected pensions for the U.S. veterans for fiscal year 1970. It is more by $300 million than all the money we spend on veterans' hospitals and medical care.

The $2 billion overrun on the C–5A is almost three times the $742 million in the Federal budget in fiscal year 1970 for law enforcement, justice, and civil rights. What kind of priority system is that when our cities are burning, when our courts are jammed, when the crime rate has risen, and when millions of Americans still suffer the stigma and indignities of second-class citizenship?

These are among the reasons this contract is outrageous. What kind of priorities do we have when we spend $2 billion more on one single plane than for any one of the programs I have mentioned above?

The alarming thing about it is the Air Force performance. They have backed and filled. They have tried to hide the facts. They have attempted to cover up the excesses.

CHANGE PRIORITIES

For the sake of the security of the country on the one hand, and the welfare of the American people on the other, the time has come to call a halt to such outrageous excesses.

AIR FORCE PRESS RELEASE

As I stated, at first the Air Force would not officially comment on the disclosure of the overrun. Finally on November 19, 1968, a week after the disclosure was made before the Subcommittee on Economy in Government, the Air Force did make a statement in the form of a press release. The press release stated as follows:

C–5

The prime contract for the C-5, with Lockheed Aircraft Corporation for the airframe and General Electric Company for the engines, were the first on a "Total Package" basis, which was an innovation in Government procurement. Under these contracts, designed to check the large cost increases of the past, the competing contractors made commitments with respect to production C–5 airplanes prior to their development.

In view of the great risks inherent in such commitments, which embraced a period of seven years, the contracts contained safeguards both for the Government and the contractors. The Government is protected by contractual provisions which create increased motivation for the contractors to produce technically superior equipment on time at the lowest cost possible. For example, the contractors pay 20–30¢ of every dollar above the target price of 2B$. The Government is not obligated to pay anything above the ceiling price of 2.4B$ for the first 58 airplanes including their engines and the research and development. Similarly, should the Government proceed with a follow-on buy, the contract contains a formula which would reduce but not eliminate large losses that the contractors might incur on the first 58 airplanes, by increasing the target cost of the follow-on airplanes. All of these terms were contained in the original competitively awarded contracts.

The Government is now considering the question of ordering C–5 airplanes beyond the original 58, but no decision has been made. The incentive for the contractors to reduce costs remains in effect; and any such order will provide continued positive motivation to maintain cost control.

At the beginning of this program over three years ago, the Air Force estimated that the cost of development and production of the first 58 airplanes would be $2.3 billion. The corresponding estimate for the 120 airplanes ultimately contemplated was $3.1 billion. Current estimates, including economic escalation and all other factors, are $3.25 billion and $4.3 billion, indicating increases of 41% and 39% respectively.

These additional costs result from: (1) increased costs for labor and materials resulting from the combination of a significant war effort and an unprecedented demand for civilian aircraft, both of which occurred after the original estimates, (2) the introduction of new technology, and (3) modifications to overcome technical difficulties inherent in the development of all new aircraft.

Based on flight experience to date, the C–5 will exceed its technical performance guarantees.

What all that verbiage means is that the Air Force was admitting that the 120 C–5A's would cost approximately $1.2 billion more than the original 1965 estimates. This concession, although it did not represent the whole truth, indicated part of the magnitude of the problem.

CONGRESSIONAL RESPONSIBILITY

The problem revealed by the C–5A case goes far beyond the cost of a single weapons system, even though the cost problem alone is very great. The problem is whether the Congress is willing and ready to exercise its full responsibility to the American people with regard to the military budget. In my view, military spending for many years has been out of control so far as the Congress is concerned. The Congress, in short, has failed to properly exercise its constitutional responsibility to provide for the common defense. This responsibility should not signify the complete abdication of authority by the Congress over the military budget in general and military weapons systems in particular.

The C–5A program symbolizes the failure and the breakdown of the present system.

WHY A C–5A?

In the first place, Congress unthinkingly permitted the military to sell the C–5A concept to it. Is there a real military requirement for the C–5A? What is the nature of this military requirement? Why do we need 120 C–5A's, even assuming that there is a real requirement?

I may emphasize that my amendment would permit 58 C–5A's, already authorized. It would simply mean that the additional 23 C–5A's—or going to 81 C–5A's—would be held up until we could get an investigation to determine whether that was desirable.

Why would not the 58 C–5A's presently authorized, funded, and under construction not meet whatever military requirements exist?

My information indicates that the Air Force and the military already have more than adequate aircraft capability with the cargo planes in its inventory. In addition, the Air Force has access to the cargo capability of private carriers. The Air Force has traditionally utilized private carriers for its airlift needs. This seems to me to be an eminently sound policy. But with the addition of the C–5A and the excess cargo airlift capability which it would bring to the Air Force, I predict that there will be a change in this policy. Already there are signs that the military is cutting down on its use of private carriers. I think this is unfortunate, that it represents a mistake in judgment, and that it will impair our private carrier fleet.

THE 58 PLANES WOULD BE PRODUCED

Now let me explain that my amendment would not end the C–5A program altogether. Fifty-eight planes has been authorized and are under construction, as I have stated. My amendment does not apply to the 58 aircraft under construction. These aircraft are known as first production run, or run A. A second production run is also contemplated by the Air Force. In fact, the Air Force may be contemplating several subsequent production runs.

The second production run is known as run B. The total number of aircraft in run B is 62 units. The authorization bill before us today contains funds for 23 aircraft from the second production run, or run B.

My amendment applies only to the 23 aircraft in run B. The funds that my amendment would strike from the bill are the funds earmarked for the 23 aircraft. The amendment provides that no more than 58 C–5A's, meaning run A, shall be purchased until after the Comptroller General of the United States has completed and submitted to the Congress a comprehensive study and investigation of the projected costs of the C–5A's.

Among the facts the Comptroller General should gather are those which would allow us to judge, whether the purchase of the 23 aircraft from run B would add significantly to the deployment capability of the military forces of the United States. This in effect is the military requirement.

The essence of the military requirement justification for the C–5A concerns the rapid deployment strategy envisioned by the former Secretary of Defense, Robert McNamara. This strategy contemplated the availability of military forces for very rapid deployment. It would therefore depend upon a strategic deployment force which could deliver the necessary military forces with unprecedented speed.

TWO AND ONE-HALF WAR STRATEGY

All of us have now heard of the 2½ war contingency. This means that our entire defense strategy is based on the assumption that we might have to fight simultaneously two major conventional wars and one minor "brushfire" war. That is we assume, not that we might have to fight these two wars in succession or in a relatively short space of time; rather, we assume that we might have to wage the wars all at once, simultaneously. I might add, that how this farfetched and questionable assumption crept into our defense policy and our foreign policy is a mystery to me; and until a relatively short time ago, very few Members of the Congress, on the basis of my information, knew that there was such an assumption.

In any event the military requirement for the C–5A, and specifically for the full 120 aircraft, is based on the 2-plus war contingency plus the McNamara rapid deployment strategy.

IS IT COST EFFECTIVE?

In my judgment, the 23 aircraft from run B cannot be justified even if we accept the assumption that we must be prepared to engage in two major conventional wars and one minor war, simultaneously, which, as I have indicated, strikes me as an unrealistic if not irrational assumption.

I do not say that the United States should not have any rapid deployment capability. No doubt some rapid deployment capability is desirable. That is not the question here. The 58 C–5A's now under production will give us substantial rapid deployment capability. What is at issue is the question of whether the 23 additional C–5A's will add significantly to our deployment capability. In my judgment, it will not. The 23 additional aircraft will add only the capability to move the equipment for half an Army division to Europe in 3 weeks and for less than one-quarter of a division to Asia in the same period.

This is a very small capability considering the very large price we are being asked to pay. I would also add that the McNamara rapid deployment concept is questionable because the C–5A is justified only during the very early movement requirements following the outbreak of hostilities. Only for the 1- to 3-week period following the beginning of a war can the C–5A be justified. At any later period, that later than 3 weeks, ships become a much more efficient and effective means of moving men and equipment. Ships, of course, can move many more men and much larger tonnages than aircraft.

As an example, if we plan to move our military forces to Europe from the United States in a period of 2 weeks, ships become more economically efficient than C–5A's. If we plan to deploy our forces to Asia during a 3½-week period, ships are more economically efficient than C–5A's.

SHIPS LESS EXPENSIVE

The question should be asked, What is our realistic readiness capability? The fact is that our military has never demonstrated the capability to assemble and deploy more than one or two light airborne or marine divisions in a matter of a few weeks. Any plan we may have to assemble, transport, and reassemble for combat 12 or more heavy, mechanized or armored divisions in a period of a few weeks is completely unrealistic based on our experience and our peacetime training. If we take our experience into account and allow for the relative readiness capabilities of peacetime troops, ships are far more inexpensive than the C–5A for equal deployment capability in a 2-month period after D–Day. According to information that I have received, ships are one-half to one-sixth as expensive as the C–5A for such a period.

In other words, if 23 additional aircraft are not purchased there will be only a minor impact at best on our overall rapid deployment capabilities. This is because of the relatively minor incremental advantage to be gained from the purchase of the 23 additional planes, considering their cost. The fact is that we already have more than an adequate aircraft capability from our available C–141's, C–130's, and our civilian reserve aircraft. Indeed this aircraft capability is already adequate even assuming the 2½ war contingency. According to my information currently procured air-

craft forces are adequate even for emergency wartime supply.

SYSTEMS ANALYSIS STUDY SAYS PLANE NOT JUSTIFIED

I recently asked Philip N. Whittaker, the Assistant Secretary of the Air Force, Installations and Logistics, to brief me on the military requirement for the 23 additional aircraft or for the 120 aircraft. Mr. Whittaker replied that the military requirement is based on classified information. I can well understand the Air Force's reluctance to discuss the military requirement publicly. I have learned that the most recent study by the Office of Systems Analysis into the C–5A program concludes that the 23 follow-on aircraft cannot be justified on either military or economic grounds.

Mr. President, I suspect that this is probably the most important statement I shall make this afternoon, and I wish to repeat it. I think if all Senators know of this statement, every considerable question will arise in their minds as to whether they should vote for this C–5A; and I think it would be very persuasive to many Senators to vote for my amendment. Let me, therefore, repeat it: The most recent study by the Office of Systems Analysis into the C–5A program concludes that the 23 follow-on aircraft cannot be justified on either military or economic grounds.

That is an analysis by the Office of Systems Analysis, in the Office of the Secretary of Defense. I do not know how we can get a better qualified authority, and it is especially persuasive in view of the fact that the Secretary of Defense and the Defense Department have asked for these aircraft and yet their own analysis shows they cannot be justified on either military or economic grounds.

TWO BILLION DOLLAR OVERRUN

The second major issue in the C–5A procurement is the matter of costs. I have indicated that the conclusion of the Subcommittee on Economy in Government was that the cost of 120 aircraft will be about $2 billion more than was estimated when this contract was entered into in 1965.

This brings us to a discussion of the C–5A contract. Since the largest portion of the overrun and the problems revealed so far deal with the Lockheed contract, I will refer to it. The contract entered into by the Air Force with Lockheed was a negotiated, fixed price incentive contract. It was the first contract utilizing the so-called total package procurement concept—TPPC. When the Air Force announced the award of this contract, it did so very proudly. It was proud of the contract as a new concept in procurement, that is, the total package procurement concept which was supposed to achieve two major objectives. Because the C–5A contract gave birth to this new concept, it is important to understand what it was supposed to do.

FAILURE OF TOTAL PACKAGE PROCUREMENT

First, total packaging was supposed to act as a deterrent against cost overruns in less than promised performance. To accomplish this objective, all development, production, and as much support as is feasible of a system throughout its anticipated life, was to be procured in a single contract, as one total package. The contract for the C–5A includes price and performance commitments by the contractor, which is supposed to motivate him to control costs, perform to specifications, and produce on time. In view of the enormous overrun and the 6-month delay in the delivery schedule, at least two of the three criteria for performance of the contract show negative results. It has been our experience that contractors have often bought into an R. & D. contract by offering to perform it at a low price and making other promises, often unkept, in order to place themselves in a position to be the prime contractor or the sole source contractor for the production. The production of a weapons system, of course, is usually the more lucrative end of the job.

INEFFECTIVE METHOD

Second, total packaging was supposed to motivate contractors to design for economical production and support of operational hardware.

In May of 1966, several months after the award of the C–5A contract, the Air Force published a description of the total package procurement concept. This description contains the following passages:

> Most simply stated, the TPPC as conceived by the Air Force, envisions that all anticipated development, production, and as much support as is feasible of a system throughout its anticipated life is to be procured as one total package and incorporated into one contract containing price and performance commitments at the outset of the acquisition fees of a system procurement.

In other words, the C–5A contract with Lockheed included R. & D. production, and support; that is, spare parts. The contract also contained price and performance commitments.

PAST FAILURES

In explaining why the Air Force felt the need for this new contractual device, it stated:

> Thus, the history of defense procurement is replete with cost overruns and less than promised performance which were, at least in part, the results of intentional "buy in" bidding where cost estimates are understated and performance and scheduled estimates overstated on the initial contract and this has been the case even where there has been no substantial increase in the then state of the art.

The principal benefits enumerated by the Air Force in this publication are that the contract:

First, requires a tightening of design and configuration and discipline.

Second, inhibits the unrealistic salesmanship or buy in bidding, includes overestimates of performance as well as underestimates of cost.

Third, motivates the contractor to design initially for economical production, and should produce not only lower costs on the first production units, but also a lower takeoff point on the production learning curve, thus, benefiting every unit in the production run.

Fourth, permits the Department of Defense to negotiate with a contractor on the basis of binding commitments concerning the performance and the price of what is really required—operational equipment.

OBJECTIVES UNOBTAINED

These were the expressed objectives of the total packaging concept as embodied in the C–5A contract. They are desirable objectives. Unfortunately, none of them were obtained in the C–5A contract. There is considerable evidence, in my judgment, that Lockheed engaged in unrealistic salesmanship and that its intent was to buy into the C–5A. It did this by underbidding the Boeing Corp. which was also a candidate for the C–5A by $300 million. Lockheed also underbid its nearest competitor in price, the Douglas Corp. by $100 million. The enormous cost overruns cast Lockheed's low bid in a new perspective. In light of what we now know, Lockheed's low bid is ludicrous, and it can be reasonably concluded that Lockheed knew or had reason to know that its bid was unrealistic. The proposal submitted by the Boeing Corp. by the way, was considered superior on technical design grounds than the Lockheed proposal by the Air Force Source Selection Board.

The Air Force assertion that this contract was based on binding commitments concerning the performance and price is especially foolish or deceptive in view of what we now know. This brings us to a discussion of the now famous repricing formula and it also brings us to the subject of spare parts which I said earlier I would more fully discuss.

REPRICING FORMULA

The repricing formula contained in the contract was first publicly disclosed in hearings last November. The repricing formula is the most blatant reverse incentive in Government contracting that I have ever encountered. It provides, in effect, that the second production run, run B, is to be repriced, on the basis of the actual cost of the first production run, run A, and in accordance with a specific formula. The effect of using the repricing formula is to renegotiate with the contractor over the price of the follow-on production, run B. It means that in the event the actual costs of the first 58 planes exceed the original estimates, the contractor receives a higher price for the follow-on production. In other words, the higher the cost to produce the first 58 planes, the higher the prices go for the follow-on aircraft. As can be seen, there is a very limited incentive to control the costs. Instead of being penalized for exceeding these cost estimates, the contractor in this case is awarded a higher price for the follow-on production.

NO BINDING COMMITMENT ON COST

How firm, therefore, are the firm price commitments which the Air Force has claimed for the C–5A contract? I asked this question of the then Assistant Secretary of the Air Force, Robert H. Charles—the father of the package procurement, and some Senators say he wrote the book on it—when he testified before the Subcommittee on Economy in Government on January 16, 1969. The colloquy with Mr. Charles on this point follows:

> Mr. PROXMIRE. Do we really have binding commitments on the C–5A price if the contract is repriced for future production runs in order to take care of cost overruns in the initial production? Do we not lose one of the main advantages of the total packaging?

Mr. CHARLES. No, I think not.

Mr. PROXMIRE. I do not see how we can have binding commitments, on the one hand, on price and a repricing projection at the same time.

Mr. CHARLES. I do. It is a binding clause in the contract. Any contract adjustment is made pursuant to a formula to which the competitor bids. I see nothing non-binding about it.

In other words, to the Air Force a contract clause provides for a firm price commitment even though another clause in the contract provides for a way to increase the price. It seems to me that under that kind of arrangement, the only party committed is the American taxpayer and he is committed to pay any price, no matter how high and excessive it might be, once the Air Force decides it wants a new weapons system.

AIR FORCE NOW ADMITS MISTAKE

But even the Air Force has recently admitted that the repricing formula was a mistake. The Air Force states in its recent review of the C–5A program:

This provision was well intentioned but poorly comprehended at the time of award. In operation it is beset with ambiguities, complicating its implementation and raising the prospect of a reverse incentive. Under a selected set of conditions, the point can be reached where, for each additional dollar of cost occurring in the production of Run A aircraft, an increase of total contract target and ceiling of more than a dollar could result. This potential could encourage the contractor to add costs to Run A so as to reduce overall loss on both the Run A and Run B production.

GOLDEN HANDSHAKE

Contrary to Air Force claims at the early stages of this program, when it was being sold to the Congress and to the public, the contract has not produced lower costs for the first production units. The costs for the first production units are greatly exceeding the original estimates. Thus, instead of a lower takeoff point on the production of learning curve, benefiting every unit in the production run, we have a higher takeoff point on the production learning curve, thus inflating every unit in the production run. On top of all this, we have the repricing formula, which has been called the "golden handshake," which further inflates the cost of the run B aircraft. The Subcommittee on Economy in Government concluded in its unanimous report the following:

Not only were the price increases made possible by the repricing formula, but the cost overruns which are resulting in the higher prices may very well have been encouraged by the existence of the formula and by the nature of the formula. For the mere fact that a repricing provision existed in the contract constituted a built-in get-well remedy for almost any kind of cost growth. According to this provision, the price of the second increment (run B) could be increased on the basis of excessive actual costs on the first increment (run A). The motivation, if any, of the incentive feature of the contract is thereby largely nullified, provided the contractor is confident that the Government will exercise the option. Why bother to keep costs down if their increase forms the basis for a higher price? Additionally, because of the nature of the formula, the higher the percentage of overrun over the original contract ceiling price on the first increment, the higher the percentage by which the second increment is repriced.

As I have indicated, the Air Force itself now recognizes that the repricing formula was a serious mistake. The mistake was so serious that the Air Force says it would now like to renegotiate the contract to remove the reverse incentive feature. The Air Force review of the C–5A program calls for such a renegotiation.

The problem, however, cannot be so easily resolved. Revising the contract to eliminate or modify the repricing formula will not make this a good contract nor will it necessarily reduce the cost of the C–5A to the Government. And the cost is what is at issue here.

SHOULD STOP AFTER FIRST RUN

There is no way, in my judgment, to get out from under the huge cost of this program without curtailing it at this point. If the program is ended at the completion of the first 58 aircraft, Lockheed would be forced to absorb the cost of overruns for which they are responsible, over and above the ceiling price in the contract. There is no reason for Lockheed not to absorb the costs over and above the ceiling price.

And these costs, by the way, would include possibly the extensive costs brought about by the recent failure of the C–5A wing to meet structural strength requirements. I might add here that the failure of the C–5A to meet the structural strength requirements in the contract is a serious matter. It is no excuse to say that the plane is satisfactory to 100 percent of its designed load limit, and that it only fails to meet 150 percent of the designed load limit. The fact is that the 150 percent provides for a safety feature which is absolutely essential before any plane can be deemed airworthy. The FAA, according to my understanding, would require this plane to meet 200 percent of its designed load limit. But the Air Force has decided for some reason which it has not made known, not to seek FAA certification, although the contract provides for FAA certification. In addition, the fact that the plane failed to meet the static tests indicates that it would more than likely fail under dynamic conditions. Static tests only simulate dynamic conditions. The static tests that occur on the ground do not create the same kind of stresses on an airframe that is created during the dynamic conditions that occur in the air.

LETTER TO SECRETARY

On this point I wrote a letter to Robert Seamans, Secretary of the Air Force, on July 18, 1969, inquiring about the reported crack in the C–5A wing. I also addressed certain questions to the Secretary relating to recent changes in the C–5A specifications which seem to represent degradations in its performance standards. So far I have had no response from the Secretary of the Air Force to my letter, although I wrote him on July 18! However, I believe that what I said to him was pertinent to this discussion:

JULY 18, 1969.

The Hon. ROBERT C. SEAMANS, Jr.,
Secretary of the Air Force, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: I have noted the recent announcement by the Air Force that tests of a C–5A aircraft produced a crack in one of its wings.

This development seems to me to raise additional questions about the C–5A program. You may be aware of recent testimony by Mr. A. E. Fitzgerald before the Subcommittee on Economy in Government with regard to certain changes in the C–5A specifications. One of the changes, according to Mr. Fitzgerald, is a decrease in the maximum speed for lowering flaps on landing from 205 knots to 180 knots. Another change is a decrease in the maximum allowable sink rate at landing. It occurs to me that both of these changes represent degradations in the C–5A specifications.

What are the reasons for lowering the standards of the C–5A specifications?

Have wing cracks, fuselage cracks, or any other substantial defects been produced in the C–5A prior to July 13, 1969, by ground static tests or other tests or usage of this aircraft?

Were the performance standards for the C–5A lowered because defects were produced in previous tests?

Would you be normally advised of any defects produced from the C–5A during tests?

Will the delivery schedule for the C–5A be affected by the current difficulty? If the delivery schedule will be delayed, please estimate the amount of the delay.

Please estimate the cost of fixing the current difficulty (the cracked wing). Who will pay the cost of necessary modifications, the Government or the contractor?

In the event that Congress does not authorize the purchase of the Run B aircraft, who would pay the costs of the modifications made necessary by the cracked wing? In the event that Congress does authorize the purchase of Run B, who would pay the costs of the modifications?

Your early response to these questions will be appreciated.

Sincerely,

WILLIAM PROXMIRE,
Chairman, Subcommittee on Economy in Government.

IS GOVERNMENT LIABLE FOR REPAIRS?

The question that we also need answered is whether the purchase of the 23 additional aircraft would make the Government liable for the cost of repairs and modifications necessary to correct the structural defect. This is one of the questions which my amendment seeks to answer. In the amendment, the Comptroller General is instructed specifically to seek an answer to this question.

I should add here that according to the lawyers for the contractor, the Government would be liable not only for the costs of repairing the cracked wing and making whatever modifications are necessary, but would also be liable for all contractor losses and termination costs if the full 120 aircraft are not procured. This view is based on the fact that the Secretary of the Air Force early this year exercised the option to purchase the follow-on aircraft.

The exercise of this option was announced on the morning of the January 16, 1969, hearings before the Subcommittee on Economy in Government, of which I am chairman. This announcement came in spite of my request to the Secretary of Defense that the Government not commit itself to purchase the Run B aircraft until a complete investigation of the cost overruns could be completed. The investigation I asked for was not even started on the morning of January 16, when the announcement of the Government was made.

COST OF SPARES

The amendment I have introduced addresses itself to several other cost issues, including the cost of spares. The Air

Force has consistently tried to gloss over and obscure the huge cost increases that have occurred on the spare parts. It has even attempted to create the impression that the original contract did not include the cost of spares. This is not true. The contract entered into in 1965 with Lockheed did include the cost of spares.

Now the Air Force claims that the original contract included only the cost of initial spares as distinguished from replenishment spares. The difference, as it has been explained to me by the Air Force, is that the initial spares would be comparable to the first set of tires on an automobile needed to replace the original tires, while the replenishment spares would be the second and third set of new tires.

The question, then, is whether the original contract estimates included the cost of the replenishment spares.

REPLENISHMENT SPARES IN CONTRACT

In answering that question, I would first point out that the contract itself contains a provision covering the costs of replenishment spare parts and repair spare parts. Secondly, it has always been assumed by persons familiar with the contract from its origin that replenishment spares were included in the original contract estimates. This assumption is based on the description of the total package contract described by the Air Force in 1966 and on an early briefing document written in 1965. The Air Force's description of total packaging, as I stated earlier, indicated that all anticipated development, production, and as much support as is feasible was to be included in the total package contract. This would include spare parts, whether initial or replenishment.

Further, the briefing document which I referred to states explicitly that replenishment spare parts are to be included as part of the C–5A package. I will now read from this briefing document. On the title page is the following:

Contract AF 33(657) 15053 FPIF–VP, C–5A, Lockheed Aircraft Corporation Lockheed—Georgia Div.

On page 3 of this document, which was prepared by the Air Force, is the following:

What we bought: Item A—RDT&E, System Integration and Assembly ACFT/Mission Kits, Training/Training Equipment, AGE, System Test, System Management, Data and Reports.

On page 4, this list of what the Air Force bought continues:

What we bought: Item B—Production, ACFT/Mission Kits, Training & Training Equipment, AGE, Contract Technical Services.

Provisions for: Initial Spare and Repair Parts, Replenishment Spare and Repair Parts, Up Dating/Modification Changes.

It will be noted, of course, that the list of what the Air Force bought with the C–5A contract included initial spare and repair parts as well as replenishment spare and repair parts.

In my judgment, the Air Force is intentionally attempting to confuse the Congress and the people on the subject of spare parts.

Mr. President, I go into the detail on replenishment spare parts because again and again we have had different estimates as to the original cost of the C–5A and as to its present cost. Repeatedly, those who have argued that the overrun is not $2 billion but some lesser figure—it is $1.4 or $1.3 billion—have said that in the initial estimates, replenishment spare parts were not included, and that by adding the cost of replenishment spare parts in the present estimates, we are not comparing the same things. I go into this detail today to establish beyond any question the documentation to show that I am comparing the same things, that the replenishment spare parts are included in both, and that on that basis there is a $1.9 billion to $2 billion overrun.

Rarely has there been a case with so much concealment and obstruction on the part of a Government agency with respect to its handling of public funds that has been so well demonstrated and documented in public hearings. The callous and devious treatment by the Air Force of one of its employees, Mr. A. E. Fitzgerald, well illustrates this point.

FITZGERALD CASE

Mr. Fitzgerald has been the deputy for Management Systems, Office of the Secretary of the Air Force, for almost 4 years. His responsibilities until recent months included development of the management controls used on the C–5A program. He was also a member of the steering committee reviewing the financing of the C–5A. He was first asked to testify before the Subcommittee on Economy in Government last November because of his recognized expertise in the area of management systems and cost controls.

Mr. Fitzgerald's problems began when he was invited to testify. The Air Force first attempted to deny his appearance before the subcommittee altogether. Only after repeated urgings by my office did the Air Force finally relent and grudgingly permit him to appear. However, the Air Force notified me that Mr. Fitzgerald was to appear only in the capacity of a "backup" witness. The main witness was to be someone else. But this someone else was an individual with whom the subcommittee was not familiar and whom it had not invited.

In other words, the Department of Defense was attempting to dictate to the subcommittee of Congress who was to be its principle witness: and the Department of Defense had taken it upon itself to inform us of the appearance of someone who was not invited, while relegating the individual who was invited to "backup" status. Of course, the subcommittee insisted on hearing from Mr. Fitzgerald, and we did.

However, the Air Force denied Mr. Fitzgerald the opportunity to prepare a written statement, although the subcommittee had requested a written statement from him in our letter of invitation. A written statement permits the witness to organize his testimony in an orderly way, and to prepare statistical data, charts, and other materials. It also provides a committee with a chance to become familiar with the testimony in advance of the hearing, to prepare thoughtful questions, and to have a more fruitful dialog with the witness. But the subcommittee was denied this opportunity because of the directive to Mr. Fitzgerald not to prepare a written statement.

The only explanation, in my judgment, is that the Pentagon was attempting to interfere with this witness' testimony by gagging him as much as possible.

This explanation is amply supported by the events that followed Mr. Fitzgerald's oral testimony in November. In his oral testimony, responding to direct questions from me, he conceded the fact that there would be a cost overrun on the C–5A, possibly as high as $2 billion.

COMPUTER ERROR

Less than 2 weeks after his testimony, he was notified of his loss of civil service tenure. Imagine that. Less than 2 weeks after this man testified before a congressional committee and simply answered a question put to him—and as far as we know he answered it honestly—he was notified of the loss of his civil service tenure by the Air Force. The Air Force claims that this action was only coincidental to the fact that he had recently testified before the Subcommittee on Economy in Government about the C–5A.

It was called a "computer error." We checked on the basis of the latest testimony and found that the computer made very few errors. It had made two errors before that were similar to this one, although it made some 50,000 decisions. Whether the Air Force's action in stripping Fitzgerald of his job protection was a coincidence may be judged from the events that followed. For the subcommittee subsequently obtained a copy of a memorandum to the Secretary of the Air Force from the Secretary's administrative assistant. The memorandum was dated January 6, 1969.

GET RID OF FITZGERALD

The intriguing feature of this memorandum is that it concerns ways in which the Air Force could get rid of Mr. Fitzgerald. I think the Members of this body ought to think about this a few minutes. Here was the Secretary of the Air Force, Harold Brown, receiving an interoffice memorandum from his administrative assistant. The subject of the memorandum was ways by which the Air Force could get rid of one of its civilian employees. The civilian employee happened to be Mr. A. E. Fitzgerald. The civilian employee happened to have testified before a committee of Congress on the costs of the C–5A cargo plane. The civilian employee testified that there would be a $2 billion cost overrun on this program. Previously the Air Force had gone to great lengths to hide the costs of the overruns. Less than 2 weeks after his testimony the civilian employee was stripped of his civil service public tenure. A few weeks later a memorandum is prepared by the administrative assistant on how to get rid of the civilian employee. Is this still a coincidence?

The memorandum itself explained for the benefit of Secretary Brown three separate actions "which could result in Mr. Fitzgerald's departure." They were, first, adverse actions for cause. Second, reduction in force. Third, conversion of Mr Fitzgerald's position from an excepted category to career service, and then eliminating him in subsequent competitive procedures. To explain the last

possibility, the memorandum contains this example of Air Force ethical constraints:

This action is not recommended since it is rather underhanded and would probably not be approved by the Civil Service Commission, even though it is legally and procedurally possible.

A coincidence?

I have done everything in my power to prevent the Air Force from taking punitive action against Mr. Fitzgerald. In my view, he is a dedicated, loyal Federal employee and citizen, whose conduct is beyond reproach. His only offense is that he is cost conscious. His job is to control costs, to save the taxpayers' money. He works at this job conscientiously and tries to save as much of the taxpayers' money as possible.

He is extremely competent in this area. He is one of those rare persons who is highly gifted and who has had the character and the strength to persist in what is an unpopular job of trying to hold down costs. This is the kind of conduct which engenders real hostility on the part of contractors and others who worked with him in the Air Force and the Pentagon.

COLD CLIMATE FOR FITZGERALD

Unfortunately, there are those in high places in the Air Force and in the Department of Defense who do not agree with this approach to Government spending. And these persons have been responsible for the peculiar coincidences affecting Mr. Fitzgerald's job. Even now they are attempting to hound and discredit him.

His major responsibilities have been taken away from him. Instead of the major weapons systems for which he was formerly responsible, his new job is to look into the cost overruns on a bowling alley in Thailand.

But perhaps the most reprehensible and dangerous acts committed by the Air Force in connection with Mr. Fitzgerald's appearance before the subcommittee relates to the supplemental testimony the subcommittee requested last November. The subcommittee had asked Mr. Fitzgerald to prepare certain cost data and other information in writing, to be submitted to the subcommittee following the close of oral testimony. Among other things, the subcommittee had asked for a breakdown of the C–5A cost overruns. The request was made on November 13, 1968.

DELAYED TRANSMITTAL

Not until December 24, 1968, did the subcommittee receive the materials from Mr. Fitzgerald, and only after the subcommittee had raised strenuous objections to the delay in transmitting the supplemental testimony. In fact, as the subcommittee later learned, Mr. Fitzgerald had prepared his supplemental testimony within a few days of the November 13 appearance and had turned it over to the Air Force for transmittal to the subcommittee. The Air Force had held on to the supplemental testimony and intentionally delayed its transmittal for more than 4 weeks.

The materials received on December 24, were labeled "Insert for the Record testimony of A. E. Fitzgerald." However, upon checking with Mr. Fitzgerald, the subcommittee learned that the materials received on December 24 were not the same materials prepared by Mr. Fitzgerald. They had been altered by the Air Force. More importantly the Air Force had altered the C–5A cost estimates prepared by Mr. Fitzgerald. The alterations made it appear that Mr. Fitzgerald's figures corresponded with the official Air Force figures contained in its November 19 press release.

The subcommittee advised the Air Force that it would not accept the materials received on December 24 as the testimony of A. E. Fitzgerald. We insisted on our right to receive the true and accurate testimony of the witness, unaltered and uncensored by the Air Force. The subcommittee finally, on January 15, received Mr. Fitzgerald's authentic and uncensored testimony.

The Air Force's attempts to muzzle, interfere and alter the testimony of Mr. Fitzgerald cannot be justified. They appear to have been almost desperate and panic stricken in their efforts to prevent public disclosure of the C–5A overrun. The Air Force testimony in two separate committees of Congress in March and May of 1968 that there was no C–5A overrun should be considered in this connection.

LATE REPORTING OF OVERRUN

What also needs to be considered is the fact that they began to learn of the C–15A overrun as early as November 1966. During that month an Air Force team, which included Mr. Fitzgerald, visited the Air Force plant in Marietta, Ga., where the C–5A was being produced. The review team found overruns of up to 100 percent in key segments of the program.

That was in 1966, a year and a half before Mr. Flax testified before an appropriations subcommittee of the House that there were no overruns, and that the costs were between the cost and the ceiling.

The second visit 3 weeks later confirmed the initial observation. The overrun in the C–5A program grew steadily in late 1966. Yet, according to the evidence received by the subcommittee, evidence of its existence began disappearing from Department of Defense internal reports. In 1968 evidence of the overruns also disappeared from internal Air Force reports. In fact, the Air Force reports had been changed by directive from higher headquarters to eliminate the evidence of the C–5A overruns. Mr. Fitzgerald requested an audit to determine the true facts about the C–5A costs but it was never performed.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Virginia.

Mr. BYRD of Virginia. The Senator from Wisconsin mentioned that the records were altered, and I believe he said by higher authority. Could the Senator identify the higher authority more precisely?

Mr. PROXMIRE. I cannot identify it other than by saying that the information, the testimony of Mr. Fitzgerald, was sent to us and we received it. We then checked with Mr. Fitzgerald and he said that that was not his testimony, that it had been changed by persons in the Air Force. Unfortunately, at the present time, I do not know and I cannot tell the distinguished Senator from Virginia who it was that changed that testimony.

I will do my best to determine the identity of that person, or persons, and provide it for the RECORD.

Mr. BYRD of Virginia. I was not so much concerned about that as whether it was done within the Air Force or by a higher echelon; namely, the Department of Defense as differentiated from the Air Force.

Mr. PROXMIRE. Again, I would have to say to the distinguished Senator from Virginia that I am not sure. I think he makes a good point. It could come from either source. It would not be fair to the Air Force to assume that it was likely they, because it might very well have come from the Department of Defense. Mr. Fitzgerald worked in the office of the Secretary of the Air Force. His superior was in the office of the Secretary of the Air Force. On the other hand, he did work with the Department of Defense in this, and it could have come from either area, both of which, of course, would be higher headquarters than Mr. Fitzgerald.

Mr. BYRD of Virginia. I have had great concern about this contract, just as has the Senator from Wisconsin. I shall not further interrupt the Senator at this time, but when he finishes his address, I should like to go over a few points with him.

Mr. PROXMIRE. Very good.

Mr. President, I believe that the evidence in the case indicts the Air Force and Department of Defense for its handling of the C–5A program. The C–5A has been mismanaged and public funds have been mishandled. The Air Force has shown its great disregard for the heavy responsibility it has over the use of public funds, and it has shown serious disrespect for Congress by its high-handed conduct.

MISMANAGED WEAPONS SYSTEM

I might point out that the Air Force is not alone in this regard. The House investigation of the Army Sheridan tank program revealed similar disclosure problems, deceptions, and mismanagement on the part of the military. The Aerospace Daily and Executive Report, a trade newspaper, on July 30, 1969, commented on certain aspects of the tank and the C–5A cases. I believe what the Aerospace Daily has to say on this matter is significant because that journal can by no means be labeled as critical of military spending or of the aerospace industry. I will therefore read excerpts from what the Aerospace Daily has to say:

Pentagon internal reporting has come under fire and suspicion as an outgrowth of findings of the House Army tank investigation and Congressional hearings on the C–5A jet transport cost overrun.

In the $2.5 billion Army tank procurement, House Armed Services Committee investigators found internal reports misleading, inaccurate and deliberately optimistic. Officials

connected with the program were criticized for failing to provide objective information to high command upon which logical and supportable decisions could be made.

In the now $4.6 billion C–5A Galaxy transport procurement, Air Force admits that it deliberately did not report for two years initial and continuing cost growth which showed up only five months into the eight-year program.

In the first case, Army claimed it wrote optimistic reports on development of the M–551 Sheridan light assault reconaissance vehicle and its Shillelagh weapons system because at every reporting period developers "believed" serious deficiencies were shortly to be corrected. The House investigation shows they were not in many cases, despite 10 years of work.

In the second case, Air Force said it withheld cost growth because it did not want to jeopardize the financial condition, in the stock market and elsewhere of its only C–5A supplier.

As a result of these faulty reports, Congressmen and Senators charged with responsibility for authorizing and appropriating Defense funds have been abashed to discover they are the last persons to find out about unsolved developmental problems and cost overruns. In a time of inflation, high taxes and serious Federal budget constraints, they are placed in a tenuous position vis a vis their constituents.

The article then points out that the Senate Armed Services Committee has requested quarterly reports on cost, schedule, and performance on 31 major weapons systems and that it is considering having the General Accounting Office monitor contracts. The Aerospace Daily continues:

How effective this step will be has to be seen. House tank investigators found that GAO was denied access to Army records, a procedure which the Pentagon can invoke under "executive privilege" precedents. Further complications are caused by differing record-keeping and auditing procedures used by the services and by their contractors.

A price example is the fact that in the C–5A procurement Air Force estimates that contractor Lockheed Air Craft will lose $285 million. Lockheed estimates it will lose $13 million but make a profit after spares are ordered. The systems analysts in Laird's office have still another set of figures.

It remains that the Pentagon's veracity has been hurt by the findings of Congressional inquiries into the tank and transport procurements. Members of Congress can forgive and forget if they feel they made a bad decision based on objective information. But if the information they received was not honest, they will look at future Pentagon reports askance, and take them with a very large grain of salt.

TIME TO CALL A HALT

What all of this adds up to, in my judgment, is that the Congress must call a halt to Pentagon shenanigans. The C–5A case symbolizes the worst aspects of military procurement. The Air Force has been managing this program since 1965 and it has utterly failed to do a good job. Public funds have been squandered on a program of dubious value which will cost at least $2 billion more than Congress originally agreed to pay. Where are the C–5A overruns leading? The recent Air Force report admits that "there is a distinctive possibility that costs may continue to increase." I believe that this statement means that the Air Force is putting the Congress on notice that it will come in at a later date to ask for even more money for the C–5A.

Mr. President, let me add that when Assistant Secretary Whittaker briefed me in my office a few days ago he said that, too. He said that there is evidence of further cost growth, that we have not seen the end of the overruns on the C–5A, that we cannot say that $2 billion is the limit; it could be more. There is every indication that it will be more. As a matter of fact, the Air Force now is being franker in predicting overruns than it has been at any time.

The American people deserve a better accounting of its tax money with respect to the C–5A program than we can now give. My amendment will at least place the Congress in a position of knowing what the real military requirements for the 23 additional aircraft are and what the economic justification for them is. The amendment asks the General Accounting Office for an investigation of the facts and to submit its findings with recommendations to the Congress within 90 days.

NEED MORE KNOWLEDGE

Clearly it is not unreasonable to refuse to authorize any additional C–5A's until we know more about this program. Furthermore, if it is determined that there is a military requirement for the 23 additional aircraft, then I believe we ought to know what they will cost and whether their costs will be ballooned by the repricing formula. I therefore urge the adoption of the amendment.

Mr. President, I ask unanimous consent that sections from the Subcommittee on Economy in Government report on the economics of military procurement, on the C–5A overruns, which includes a table on the cost overruns, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

2. COST OVERRUNS: THE C–5A CARGO PLANE

The Air Force selected the Lockheed Aircraft Corp. as the airframe prime contractor for the C–5A, a large, long-range, heavy logistic aircraft, on September 30, 1965, after proposals had been received in response to Requests for Proposals (RFP) from 5 firms, and preliminary contracts had been entered into with 3 of them in 1964. It is not clear, from the evidence, how much *price* competition had to do with the selection. Secretary Charles testified that there was competition among the firms. But when asked how low Lockheed's bid was compared to the others, he refused to disclose the figures on the grounds that "this is company proprietary information". A similar procedure resulted in the selection of General Electric as the engine manufacturer.

The contract with Lockheed is a negotiated, fixed price incentive fee contract. It is also the first contract utilizing the total package procurement concept (TPPC). Two major objectives of the concept, according to the Defense Department, are to discourage contractors from buying in on a design and development contract with the intention of recovering on a subsequent production contract, and to motivate contractors to design for economical production and support of operational hardware. Thus, TPPC is supposed to act as a deterrent against cost overruns and less-than-promised performance. To accomplish this, all development, production, and as much support as is feasible of a system throughout its anticipated life, is to be procured in a single contract, as one total package. The contract includes price and performance commitments to motivate the contractor to control costs, perform to specifications, and produce on time. As the C–5A is an incentive contract (TPPC does not necessarily result in incentive contracting) it contains the usual financial rewards and penalties associated with incentive contracting.

The C–5A contract for the airframe provides for five research, development, test and evaluation (R.D.T. & E.) aircraft plus an initial production run of 53 airplanes (the total of 58 planes is called run A), and a Government option for additional airplanes. The present approved program for the C–5A is 120 airplanes comprised of run A (58 airplanes) plus run B (57 airplanes) plus five airplanes from run C.

The testimony received during the November 1968 hearings indicated a cost overrun in the C–5A program totaling as much as $2 billion. A "cost overrun" is the amount in excess of the original target cost. According to the testimony, the program originally called for 120 C–5A airplanes to cost the Government $3.4 billion, but because of cost overruns mainly being experienced in the performance of the Lockheed contract actual costs would total $5.3 billion.

Following the November hearings, Senator Proxmire asked GAO to investigate into the causes and amount of the C–5A overruns and other matters relating to the contract.

On November 19, 1968, the Air Force announced, in a press release, that the original estimate for 120 C–5A aircraft was $3.1 billion, compared to the current estimate of $4.3 billion. Subsequently, in response to a request by the subcommittee, Mr. Fitzgerald, who was responsible for the development of a management controls used on the C–5A and who was on a steering committee directing a financial review of the C–5A, supplied a breakdown of the estimates of C–5A program cost to completion. This data showed Air Force estimates for 120 airplanes was $3.4 billion in 1965, and $5.3 billion in 1968, indicating an overrun of about $2 billion. The difference between the Air Force press release and the data supplied by Mr. Fitzgerald seems to be accounted for in the figures for spare parts. The data supplied by Mr. Fitzgerald shows $0.3 billion for spares estimated in 1965, and $0.9 billion in 1968. If the figures for spares are added to the estimates in the Air Force press release, the two sets of figures are close to one another.

In the January 16 followup hearing, GAO reported on its investigation, the nature of which is discussed below on page 40. Briefly, GAO transmitted to the subcommittee figures supplied by the Air Force 2 days prior to the hearing. These figures indicated a substantial overrun but a smaller total cost for the overall C–5A program than the $5.3 billion figure shown in the November hearings. The reason for the lower total was the omission by the Air Force of the costs of the spares.

Nevertheless, testimony and other evidence received in the course of the hearings confirmed the existence of the approximately $2 billion overrun in the C–5A program, the reverse incentives contained in the repricing formula, and large overruns in other Air Force programs. The latest estimate of the total cost of 120 C–5A's, including spares, provided by Secretary Charles, is $5.1 billion. This is close to the estimate previously supplied by Mr. Fitzgerald, and about $2 billion more than was estimated in 1965. The following table shows the estimates supplied by Mr. Fitzgerald, the Air Force press release of November 19, 1968, and Assistant Secretary Charles:

COMPARISON OF ESTIMATES OF C–5A PROGRAM

[In billions of dollars]

	Fitzgerald		Air Force press release[1]		Charles	
	1965	1968	1965	1968	1965	1968
120 aircraft:						
R.D.T. & E. plus production	$3.1	$4.4	$3.1	$4.3	.....	$4.3
AFLC[2] investment	.3	.9	.....	.....	.....	.8
Total	3.4	5.3	3.1	4.3	.....	5.1

[1] The Air Force press release of Nov. 19, 1968, did not provide cost breakdowns between R.D.T. & E. (research development, testing, and engineering), production runs, and AFLC investment. The figures given seem to omit AFLC investment.

[2] AFLC (Air Force Logistics Command) investment submitted by Fitzgerald includes spare parts; that submitted by Charles includes initial spares, replenishment spares, and support. Table submitted by Secretary Charles (hearings, pt. 1, p. 311) does not include estimates for 1965.

The cost growth in the C–5A program can be seen in the table. The figures supplied by Fitzgerald show an increase from $3.4 billion in 1965 to $5.3 billion in 1968. The Air Force press release can be reconciled with the Fitzgerald figures if the AFLC investment (spares) is added to each of the estimates. Thus, the $3.1 billion estimate for 1965 would total $3.4 billion, and the $4.3 billion estimate for 1968 would total $5.2 billion. Secretary Charles' own figures for 1968 total $5.1 billion. The subcommittee rejects the attempts of Air Force spokesmen to minimize the size of the program or the size of the overrun by removing spares as an item of cost. Spares are an integral part of the C–5A program and should be included in any consideration of costs.

According, to the Air Force, the cost growth in the C–5A program has resulted from normal development problems associated with complex weapons and inflation. However, the subcommittee notes that the C–5A was chosen for the first application of the total package procurement concept partly for the reason that it was not considered a highly complex weapon system requiring technological advances beyond the state of the art. The inflation argument, which is supposed to account for $500 million of the cost growth, appears questionable. The contract contains an inflation provision to protect the contractor from unforeseeable price changes in the economy, to go into effect 3 years after the issuance of the initial contract, that is, October 1, 1968. The initial 3-year period was supposed to be considered a normal business risk. The Air Force official explanation of this provision states: "The contract thus included in the price an amount which reflected a projection of the mounting cost trend in the economy of labor, materials, equipment, and subcontract prices." If future inflation for at least 3 years was included *in the price*, it is hard to see why inflation should be a major factor in later increasing the price. Without a more thorough investigation of the C–5A program, the technical problems encountered, the failure to anticipate them at the time of the negotiations, and operations of the inflation provision, the subcommittee cannot form any firm conclusions about the reasons for the enormous overrun.

A repricing formula built into the contract was also revealed in the November testimony. The repricing formula is one of the most blatant reverse incentives ever encountered by this subcommittee. It should be recalled that the C–5A contract is supposed to represent an important step toward cost control. An Air Force manual on the total package procurement concept dated May 10, 1966, states that "It should produce not only lower costs on the first production units, but, in turn, a lower take-off point on the production learning curve, thus benefiting every unit in the production run." The facts about the C–5A are just the reverse. Costs for the first production units are greatly exceeding original estimates, resulting in higher take-off point on the production learning curve, thus inflating every unit in the production run. In addition, the contract is supposed to provide the Government with binding commitments on price and performance. Obviously, there is in fact no binding commitment on price if the price can be modified upwards, as is being done in the C–5A, because actual costs are exceeding estimates. Whether the actual performance of the C–5A lives up to its promise remains to be seen. On the matter of delivery, it is interesting to note that the Air Force announced on February 25, 1969, a 6-month delay in the first operational C–5A aircraft, from June 1969 to December 1969.

Not only were the price increases made possible by the repricing formula, but the cost overruns which are resulting in the higher prices may very well have been encouraged by the existence of the formula and by the nature of the formula. For the mere fact that a repricing provision existed in the contract constituted a built-in get-well remedy for almost any kind of cost growth. According to this provision, the price of the second increment (run B) could be increased on the basis of excessive actual costs on the first increment (run A). The motivation, if any, of the incentive feature of the contract is thereby largely nullified, provided the contractor is confident that the Government will exercise the option. Why bother to keep costs down if their increase forms the basis for a higher price? Additionally, because of the nature of the formula, the higher the percentage of overrun over the original contract ceiling price on the first increment, the higher the percentage by which the second increment is repriced.

The subcommittee learned, on the morning of the January 16, 1969, hearing, that the Air Force had exercised the run B option for 57 additional C–5A aircraft, apparently committing the Government to spend at least $5.1 billion on aircraft originally estimated to cost $3.3 billion. The subcommittee was dismayed to learn that this decision was made before the completion of the GAO investigation and without a full disclosure of the reasons for the cost overruns. The public interest in economy in Government was not served by this precipitous decision, announced a few hours before the start of a congressional hearing and a few days before the inauguration of the new President.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Virginia.

Mr. BYRD of Virginia. I do not want, at this time, to comment on the amendment offered by the Senator from Wisconsin because I want to give it more study than I have had the opportunity to give it up to this point. However, I commend him for going so fully and into such detail in regard to the C–5A contract.

It seems to me the Senator from Wisconsin has rendered both the Senate and the American people a real service.

I have been deeply concerned with regard to this contract, which appears to me to be so flexible and so ambiguous that either party can do almost anything it might wish to do.

In that connection, I ask unanimous consent to insert in the RECORD at this point some inquiries that I put to the president of Lockheed and other officials of Lockheed when they appeared before the Committee on Armed Services. That testimony begins on page 2150, beginning with, "Senator BYRD of Virginia. Thank you, Mr. Chairman," and goes through page 2152, ending with, "Senator BYRD of Virginia. Thank you very much."

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

Senator Byrd?

Senator BYRD of Virginia. Thank you, Mr. Chairman.

I shall not attempt to second-guess either the Air Force or Lockheed on this contract. Necessarily it is a very complicated one. It does seem to me after 2 days of hearings it is a very flexible one and a very ambiguous one. I woud like to get an understanding of a couple of things.

As I recollect Mr. May's chart, Lockheed says that the cost to the Government when the contract is completed will be $3.2 billion.

Mr. MAY. Yes, sir.

Senator BYRD of Virginia. Now the Air Force testified yesterday, and I checked my memory a little while ago, that the cost to the Government will be $4.3 billion, or a difference of more than $1 billion, and could it be explained where that $1 billion is?

Mr. MAY. Senator Byrd, I think we have to recognize that the Air Force estimates are for the total program, including the Government-furnished engines. Our projections that we showed you are only for that portion of the cost that Lockheed is responsible for, and this involves primarily the airframe.

Now that differential that you speak of, as best I can understand it consists therefore of items that are not within the framework of our contract, plus the difference in estimates that exist between what the Air Force feels our costs will be and what we feel they will be for 115 airframes.

Senator BYRD of Virginia. You feel that your cost will be a great deal less than the Air Force believes your cost will be?

Mr. MAY. I think the Air Force estimate is approximately $200 million higher than ours through 115 airplanes, and that the difference in those numbers that you are citing is accounted for by the prime contract with the General Electric Co. for the furnishing of their TF–39 engines.

Senator BYRD of Virginia. Then the cost to the Government, if you take Lockheed's figure, is not $3 billion which your chart shows? That is only your part of the contract?

Mr. MAY. Yes. We feel that is the only portion that we are competent to testify about.

Senator BYRD of Virginia. Yes, I agree with that, but I wanted to get clear that the total contract, the total cost to the Government will not be $3.2 billion for the total contract. It will be $3.2 billion if you are correct insofar as Lockheed's share is concerned.

Mr. MAY. That is correct, sir.

Senator BYRD of Virginia. You have a difference between the Air Force and the Lockheed Company, there is a difference of about $272 million, as I understand the figures. The loss would be 285 if the Air Force is correct, while it would be roughly $13 million if Lockheed's figures are correct.

Mr. MAY. Yes, sir.

Senator BYRD of Virginia. How much has Lockheed actually spent on the C–5A program to date? Do you happen to have those figures?

Mr. MAY. The number is approximately $1.5 billion, Senator, and we will supply the precise number for the record if we may.

Senator BYRD of Virginia. You will supply the precise figure for the record?

Mr. MAY. Yes, sir.

(The information furnished is shown below.)

"Through May 30, 1969, Lockheed has expended $1,372,112,173. In addition unliquidated progress payments to subcontractors amounted to $197,580,196. In total, through May 30, 1969, the amount was $1,569,682,369."

Senator BYRD of Virginia. Now, how much has Lockheed received from the Federal Government up to this point?

Mr. MAY. I will have to supply that for the record, sir.

(The information furnished is shown below.)

"Cash receipts from the Government through May 30, 1969, are as follows:

"Final billing for contract line items delivered	$494,878,575
"Progress payments to Lockheed for work in progress	827,699,140
Total	1,322,577,715
"Progress payments to subcontractors for work in progress	197,580,196

"As additional information, through May 30, Lockheed had incurred $91,966,571 in unreimbursed work in process costs."

Senator BYRD of Virginia. I am not suggesting that this be done at all, but if the contract were canceled at the end of Run A, do you have an estimate as to what Lockheed's profit or loss would be?

Mr. HAUGHTON. We do not have such an estimate, Senator, and we think that it is past the time when it would be canceled at Run A, because we already have funding on Run B, so Run B would have to be included now.

Senator BYRD of Virginia. And as I understand from your reply to one of Senator Symington's questions, Lockheed feels that it has a contract for 155 C–5A aircraft.

Mr. HAUGHTON. Subject to certain funding requirements, yes, sir.

Senator BYRD of Virginia. Of course Congress has not approved the funding, but Lockheed feels that it does have a contract for 115 aircraft, provided the Congress funds the 115 aircraft?

Mr. HAUGHTON. Right, yes, sir.

Senator BYRD of Virginia. Now it was testified yesterday that Lockheed is 6 months behind schedule. Does Lockheed concur in that assertion?

Mr. HAUGHTON. Yes, sir.

Senator BYRD of Virginia. The contract provides for a penalty up to a total of $11 million for schedule delays. As I understand it, no penalties have been determined or assessed at this point.

Mr. HAUGHTON. That is right. There have been no penalties assessed, because the operational aircraft are not required for delivery as of this time.

Senator BYRD of Virginia. Yesterday the Air Force testified that it is not, at this time, able to estimate as to what the Government would lose if the program were terminated at the present time. Does Lockheed have an estimate as to what the Government loss would be if the program were to be terminated?

Mr. HAUGHTON. No, sir; we do not, because it goes out into termination clause for all the suppliers of the program, and I do not have that figure. I think that figure would be very difficult to develop with any accuracy.

Senator BYRD of Virginia. The next question may be one that you would prefer not to answer and I will not press it if you feel that way for business reasons, but what percent of the business of the Lockheed Corp. does the C–5A program represent?

Mr. HAUGHTON. Well, there is going to be 2 or 3 years in here when it is going to approximate 25, close to 25 percent of our total sales. Our sales last year ran $2.2 billion, and I think our sales average on the C–5 over a 3- or 4-year period would be about $500 million a year.

Is that about right, Tom?

Mr. MAY. A little higher than that, but substantially 25 percent.

Mr. HAUGHTON. About 25 percent, maybe a little more, give or take a little.

Senator BYRD of Virginia. Thank you very much.

Mr. BYRD of Virginia. Mr. President, may I ask the Senator from Wisconsin his estimate as to the total cost to the Government if and when the contract is completed.

Mr. PROXMIRE. The total cost to the Government, on the basis of the evidence we have now—and, as I said, my estimate would have to be conservative because the Air Force tells us it is going to be higher—is $5.3 billion for the 120 planes.

Mr. BYRD of Virginia. As I understand it, that is the estimate which the Senator and his staff made. It is not the Air Force estimate?

Mr. PROXMIRE. I understand the Air Force estimate is $5.2 billion.

Mr. BYRD of Virginia. The Air Force estimate for the completed contract is $5.2 billion?

Mr. PROXMIRE. $5.2 billion.

Mr. BYRD of Virginia. And the estimate of the Senator from Wisconsin is what?

Mr. PROXMIRE. $5.3 billion.

Mr. BYRD of Virginia. Through May 30 of this year, Lockheed has expended, in round figures, $1.570 billion, according to testimony submitted on page 2151 of the committee hearings. Lockheed has received, during the same period of time, up to the date of May 30, $1.520 billion, in round figures, on this contract from the Government.

Mr. PROXMIRE. This is an important colloquy. The Senator is pointing out that Lockheed has received almost 100-percent reimbursement—not quite, but very close to it.

Mr. BYRD of Virginia. Lockheed has received practically 100-percent reimbursement, which means Lockheed has been operating on Government money. Would the Senator not agree?

Mr. PROXMIRE. The Senator is absolutely correct, not only with respect to progress payments, but the Government owns the plant in which Lockheed is building the plane. $150 million worth of equipment is also owned by the Government. Therefore, Government capital, the capital supplying the equipment, is largely, but not entirely, Government capital; a great deal of it is; and almost all of the working capital cost is provided by the Government.

Mr. BYRD of Virginia. So Lockheed has had the benefit, I calculate, of somewhere around $150 million in interest. If the Government had not put up the money and Lockheed had had to go on the market to borrow the money, Lockheed would have been billed for that money and would have had to pay it.

Mr. PROXMIRE. The Senator has made a point that escaped me. That point should be made. $150 million is just about right. It may be a little more than that in view of what has happened to interest rates, but it is close to that.

Mr. BYRD of Virginia. I would like to make a further study——

Mr. PROXMIRE. If the Senator will yield, I want to make the point that interest payments are not reimbursable. They are not allocable. So the point is well made that it would have had a great effect on Lockheed.

Mr. BYRD of Virginia. So Lockheed has had the benefit of $150 million of otherwise nonreimbursable cost that has been paid by the taxpayers.

Mr. PROXMIRE. That is correct.

Mr. BYRD of Virginia. So when we speak of the total cost of the contract, I think it is well to consider the interest charges, as well as the other figures the Senator gave, to make up the total.

Mr. PROXMIRE. I agree wholeheartedly with the Senator.

Mr. BYRD of Virginia. I would like to read into the RECORD at this point one paragraph of the statement I made before the committee last June when the officials of Lockheed appeared before the committee.

Now, just another brief comment or two. Mr. Haughton has mentioned the lack of flexibility in the contract.

Lockheed had been complaining of lack of flexibility.

Continuing the statement:

I admit I find the contract very difficult to understand, but it seems to me that here is a great deal of flexibility in that contract, and a great deal of ambiguity in the contract, to the extent of at least $272 million worth, because that is the difference between what the Air Force figures the final figure will be and what the company figures it will be, so it seems to me there is a great deal of flexibility, and the taxpayers will be called upon to pay somewhere between those two figures, the one mentioned by the Air Force of 285 million and the other by the company of $13 million. In the way of flexibility, while I say I do not fully understand the contract, it seems to me there is a great deal of flexibility in this contract and a great deal of ambiguity.

The question I am suggesting is whether the public interest is being adequately protected by the Department of Defense, particularly the Department of the Air Force. It is not Lockheed's responsibility to protect the taxpayer, but it is the Air Force's responsibility to protect the taxpayer. The Air Force is a Government organization. It is part of the Department of Defense. It receives all of its money from the taxpayers. It is the responsibility of the Government—the Air Force in this case—to say that any contract made on behalf of the Government adequately and fully protects the general public and the tax funds that come out of the pockets of the wage earners of our country.

What passed through my mind, as I was listening to the distinguished Senator from Wisconsin as he spoke on the Senate floor this afternoon and brought out many facts and figures, just as went through my mind during the committee hearings, was whether the Air Force in its procurement practices is adequately protecting the taxpayers. I think it is important that all Government agencies handle their contracts in a way that will adequately protect the taxpayer.

Mr. PROXMIRE. I thank the Senator from Virginia. His point is well taken. We should be concerned not only with the Lockheed contract. That is only one. The Air Force spends billions and billions of dollars of the taxpayers' money every year. It is important to focus attention on the practices which have been highlighted by the way the Lockheed situation was handled. No matter what action is taken on my amendment, the important lesson we should learn from the Lockheed contract is that the Air Force simply must handle its procurement practices more honestly as far as Congress is concerned and it must handle

them with far greater regard for the American taxpayer than it has in the past. I think that is the point made by the Senator from Virginia, and it was made extremely well. I think it was the most important point of all made with reference to the Lockheed contract, in terms of what we can save in the future.

Mr. BYRD of Virginia. The Senator from Wisconsin has rendered a splendid public service in focusing attention upon this fact. As he pointed out a moment ago, it concerns not just the C–5A contract or just the Air Force, but all departments of Government, and particularly the Defense Department, because that is where the greatest spending occurs and that is where these large contracts are. It is important that the Department of Defense promulgate practices and procedures which will protect the tax dollars taken from the pockets of the wage earners. What the Senator from Wisconsin has been doing in recent weeks in this regard, and what he is doing today on the floor, I believe will contribute substantially toward the protection of the dollars of the American taxpayers.

Mr. PROXMIRE. I thank the Senator from Virginia. I assure him that our subcommittee has just started hearings, which will continue through the recess, into the spending of a number of Government agencies—not the Defense Department alone.

Mr. President, the current issue of Life magazine, on August 15, 1969, contained an article entitled "The New Math of Inflation," which should be a lesson for everyone in politics, particularly those who serve our country in the Senate and the House of Representatives. It says:

For a decade it's been called "the affluent society," but suddenly the U.S. public is beginning to think all those dazzling statistics and ever-rising curves are a giant con game. Between inflation, which today is at an annual rate of 7.2%, and the relentless increase in Federal, state and local taxes, we are all running to stand still. In fact, many have begun to fall behind, and the average citizen is furious about it. The Life Poll, conducted by the opinion research firm of Louis Harris and Associates, Inc., reveals that 86% of a nationwide cross section of young and old, rich and poor, rural and city dweller assess their anger at current tax policies as either "high" or "very high." Eighty-two percent of them want major cuts in federal spending now, and a surprising 56% are even ready to see wage and price controls imposed to stabilize prices. Twenty-one percent claim they are ready to take part in a tax revolt, and another 22% who could never openly oppose their government said they could sympathize with those who did.

The Bureau of the Budget made an analysis last year of controllable and uncontrollable spending. They found that about $100 billion of our Federal spending is controllable. We obviously cannot control such items as interest on our national debt; we could pass all the resolutions in the world, and still could not do it. We cannot cut social security payments. But 80 percent of all our national spending is in the budget.

As the Life magazine article points out:

The potential savings in the post-Vietnam defense budget are estimated by the August 1 Fortune at $17.6 billion out of $78.7 billion. . . . To get this monstrous 40% of all federal spending under control would be the biggest single step toward a more rational schedule of national priorities.

In this connection, Mr. President, I call to the attention of the Senate a series of very thoughtful and revealing articles in the current issue of Look magazine, which I shall ask to have printed in the RECORD.

The articles are entitled as follows:

"The Defense Establishment," written by Charles W. Bailey and Frank Wright.

"Defense Contract: The Money Web," written by Gerald Astor.

"Generals for Hire, written by Berkeley Rice.

"The Waste," written by David R. Maxey.

"How to Cut the Budget," written by David R. Maxey.

"The University Arsenal," written by Ruth Gelmis, showing how the universities have become involved and enmeshed, and what the effect has been.

A fine epilog by Averell Harriman, entitled "Our Security Lies Beyond Weapons."

I ask unanimous consent that the articles which I have listed, published in Look magazine for August 26, 1969, be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE DEFENSE ESTABLISHMENT

(By Charles W. Bailey and Frank Wright)

For the first time in 30 years, the American defense establishment is on the defensive.

Not since the 1930's—before World War II, the cold war, the Korean War, Vietnam—have those who build and manage our military machine been seriously challenged.

The argument this year in Washington has been centered mainly on the ABM—the anti-ballistic-missile system that President Nixon proposed to defend our own intercontinental missiles and bomber bases against surprise attack.

But the issue has become much broader: What is the proper place of the nation's defense establishment in the Government and in American society? Has the military machine grown so large that it threatens to throw that society critically out of balance? Once again, critics are raising the specter of the "military-industrial complex"—the shorthand label for that combination of political, military and economic pressures that influence U.S. security policy, military strategy, armed forces and defense spending.

The Vietnam war has dragged on for years, and military victory, despite repeated predictions by the nation's civilian and military leaders, is now admittedly beyond our grasp.

Military spending has grown steadily until it swallows almost $80 billion a year—more than 40 cents of every dollar in the Federal budget—and requests for new and more costly strategic weapons may offset any savings that would result from a cease-fire in Vietnam.

Pressures are rising for greater Federal outlays to meet the domestic needs of a nation whose multiplying urban problems are compounded by racial, social and economic stresses. The voices of concern do not sing in unison, and most of them recognize both the complexities of the issue and also the high motives of those with whom they disagree. The chorus is rising nonetheless.

"I don't question the patriotism of anyone," says Sen. Mike Mansfield of Montana, majority leader of the U.S. Senate. "But I do question the judgment of creating a military-industrial-labor complex which exercises such great power. You have to control the money—control the spigot—and then you can get into philosophy."

Former Vice President Hubert Humphrey says, "It isn't as if bad men were conspiring against good people. It is that events combine to bring about a preponderant allocation of resources to defense. That preponderance inevitably affects national policies, inevitably brings a looseness of control, and feeds on itself."

Walter F. Mondale of Minnesota, a young Democratic liberal in his fifth year in the Senate, sees the issue as one of national priorities: "I've watched every fiscal dividend be dribbled away. There's not a dime left for people. We ought to write a book on ourselves. The first chapter ought to be what we think we are as white people. The rest should be on what we really are and what we do to people who can't defend themselves—the Indians, the blacks, the Mexican-Americans. Then we call them animals because they don't react right after we've beat them flat. If you want to destroy the defensive capacity of our nation, just keep it up the way we've been going. If these young militants on campuses and in the political parties are going to be the leaders—and someday they are—they are not going to be interested in keeping this kind of society together."

John Sherman Cooper of Kentucky, who speaks for anti-ABM Republicans in the Senate, recalls his early efforts to question big defense outlays: "You couldn't find out anything. The Armed Services Committee would say, 'It's classified,' or 'We've gone into this already and have more information than you.' "

Another anti-ABM spokesman, Democratic Sen. George McGovern, knows firsthand the kind of pressures that can be generated. Some of his South Dakota constituents urged him to try to get an ABM site in the state because of the economic benefits it would bring. "I don't think there's any conspiracy between the military and industry," he says, "but it does develop a momentum. Even the clergymen know their congregations are swollen by defense installations. There's a subtle influence on labor unions, business, community groups."

The defense establishment is complex. It is huge. It is also one of the most pervasive institutions in the nation: one out of every ten Americans who works for a living is part of the defense establishment. In the fiscal year just ended, an estimated $78.4 billion was spent on defense—nearly nine percent of the gross national product.

There are 500 major military installations in the continental United States, and 6,000 smaller ones. The Defense Department controls 45,000 square miles of land—an area the size of Pennsylvania. Overseas, we have 3,400 big and little bases in 30 foreign countries, Hawaii and Alaska.

Some 22,000 U.S. corporations are rated "major" defense contractors, and another 100,000 or so get a piece of the action through subcontracts. One example of the geographic spread of the defense dollar: When Lockheed Aircraft Corp. got the contract to build the C–141 *Starlifter* jet transport for the Air Force, it bought parts and services from 1,200 other firms. Just one small part for the plane—a fuel-pump switch—required material from New York, Connecticut, Illinois, Ohio, California, Wisconsin and Massachusetts.

The major share of defense spending—$44 billion last year—goes for weapons and other equipment. Two-thirds of that went to the 100 biggest defense contractors, and a whopping one-quarter of the total—$11.6 billion—was paid out to these ten: General Dynamics, Lockheed, General Electric, United Aircraft, McDonnell-Douglas, American Telephone & Telegraph, Boeing, Ling-Temco-Vought, North American Rockwell and General Motors.

Even the university campus can be a big defense contractor. Last year, both MIT and

Johns Hopkins University were among the top 100.

Some states do better than others. California got one out of every seven defense-procurement dollars last year—or $6.5 billion. Texas was second with $4.1 billion. The rest of the top ten are: New York, Connecticut, Pennsylvania, Ohio, Massachusetts, Missouri, New Jersey, Indiana.

How did it all start? And how did the defense establishment get so big? There are many reasons for its growth—but only one for its birth: We live in a dangerous world.

At the end of World War II, the nation rushed—as it had after every war—to dismantle its armed forces and turn its attention to the search for the good life. Suddenly, however, the U.S. faced an unprecedented military and ideological challenge. The Soviet Union sought to expand its dominion westward across Europe and southward into Iran, Turkey and Greece. In Asia, another Communist government came to power in a bitter civil war in China. The United States hesitated—and then, in an extraordinary series of basic policy decisions, moved to check the Communists. The rationale was "containment," which came to mean a U.S. commitment to meet, if necessary with armed force, any Communist encroachment on independent nations that asked for our help. This required our nation for the first time to maintain a large peacetime military force.

Beyond this, there was another reason for the pyramiding growth and cost of defense: atomic bombs, hydrogen bombs, jet airplanes and, finally, intercontinental missiles made the tools of war astronomically costly. The complexities of these weapons dictated years of research and development before they could be ready. Their capacity to strike a single, sudden, devastating blow meant that a nation committed by political decision to constant readiness for conflict could no longer wait until war began to beat its plowshares into swords.

There are other reasons—some of them unrelated to either high policy or the march of science—why defense spending has grown. Neither Congress nor the White House has been able to find ways of exercising anything like the critical scrutiny that is routinely applied to much smaller domestic programs. Many congressmen are reluctant to vote against anything for "our boys in service." Secrecy labels applied to many projects hinder those who do raise questions. Finally, there is "pork"—the economic benefits that defense spending can bring to a community.

There are positive factors too. By and large, the Pentagon and its industrial allies have done all they can to encourage congressional permissiveness. This year, there are 339 Defense Department employees assigned to "legislative liaison"—the bureaucratic euphemism for lobbying. That works out to two Pentagon agents for every three members of Congress; no other special-interest group comes close to having so many.

Defense Department lobbyists don't limit themselves to pushing the Pentagon's legislative program. They also spend much of their time currying favor with congressmen in other areas—passing advance word of contract awards so members can get political credit for "announcing" them, or handling inquiries about the problems of constituents in service.

They also give special attention to congressmen who hold major influence over defense affairs. The South Carolina district of Chairman L. Mendel Rivers of the House Armed Services Committee is chock-full of Army, Navy, Air Force and Marine Corps bases. Georgia—home of Sen. Richard B. Russell, for years, chairman of the Senate Armed Services Committee and now head of the Appropriations Committee—is loaded with armed services installations and defense industry. The congressional military barons get some personal benefits too. The Air Force routinely provides planes from its "VIP" fleet to ferry them around the country. And one night this spring, the Defense Department not only turned out its top brass for a Mississippi testimonial dinner for Chairman John Stennis of the Senate Armed Services Committee but also flew in the entertainment—a Navy choir from Florida, an Army WAC band from Alabama and an Air Force string ensemble from Washington, D.C.

If the Pentagon can bring heavy pressures and blandishments to bear on Congress, the defense industry—companies and unions alike—can exert massive leverage on both. Its lobbyists, ranging from high-priced vice presidents to clerks, do most of their work in private, staying out of public debate over weapons systems or budgets.

Industry's influence in Congress is sometimes magnified by outside help—from chambers of commerce, state and local officials or labor unions eager to impress on congressmen the benefits of defense bases or contracts. A study two years ago of 27 firms slated for prime contracts on the ABM suggests the potential for this kind of pressure; the firms operate more than 300 plants in 172 congressional districts spread across 42 states. Thus, at least 256 senators and representatives had some economic stake—direct or indirect—in the ABM. A recent estimate that 15,000 firms, including subcontractors and suppliers, would share in ABM spending suggests that the impact is even broader.

At the Pentagon, several factors combine to bolster industry's standing. First, the growing complexity of modern weapons has made it ever harder for Government to keep its provisioners at arm's length. No longer does a service simply decide what it wants, design it, and then advertise for somebody to build it; now, industry's "sss men"—strategic-systems salesmen—and engineers play a major role in military-weapons design.

Industry and the military join hands in other ways too. There are the service associations, to which active and retired officers as well as industry representatives belong. The groups are large (the Air Force Association counts 100,000 members) and often rich—upwards of $2 million yearly income in some cases, with industry providing much of it through dues and advertising in association magazines that advocate bigger and better weapons.

Another factor is the ease with which some men move from defense industry to the Defense Department, and vice versa. Secretaries of Defense, and lesser officials, have come from industry, and returned to it. Retired military officers flock to defense industry, often going to work for a firm whose operations they had monitored while on active duty.

When industry and the Pentagon go hand-in-hand to Congress, they find powerful friends awaiting them. A few senior members control congressional action on military matters; four committee chairmen—all Southerners, all conservatives, all well along in years, all with over 20 years of service—make up the elite:

Rivers, 63, a congressman for 28 years, chairman of the House Armed Services Committee.

George Mahon of Texas, 68, a congressman for 34 years, chairman of the House Appropriations Committee.

Stennis of Mississippi, 68, a senator for 21 years, chairman of the Senate Armed Services Committee.

Russell, 71, whose 36 years of service make him the Senate's senior member, chairman of the Senate Appropriations Committee.

These men are strong and talented in their own right. But the primary source of their power lies in the seniority system, in the way members are chosen for advancement, and in the structural and jurisdictional tradition of Congress.

The Southern flavor of the defense positions—one official calls it "the South's revenge in perpetuity for Gettysburg"—is a self-feeding process. Warm weather and ease of year-round operation lead the military to spend much of its money in the South. Members of Congress from Dixie therefore gravitate to the committees that deal with military affairs, and because it is relatively easy for them to get reelected, they build up seniority and thus control the committees.

This process is even more marked in the Senate, where the smaller membership allows senators to serve on more than one major committee. The result has been the creation of interlocking directorates; the three topranking members of Armed Services—Stennis, Russell and Republican Margaret Chase Smith of Maine—are also on Appropriations. Such dual membership and parallel inclinations almost always produce the same result: Armed Services approves Pentagon proposals and Appropriations provides the money to finance them.

There are more personal ties to the Pentagon too. Two members of the Senate Armed Services Committee hold commissions as major generals in the Reserve forces, a third is a retired two-star Reserve general. The man who writes the military-construction appropriation bill each year—Rep. Robert L. E. Sikes of Florida—is a major general in the Army Reserve. A 1967 Minneapolis *Tribune* survey of the entire Congress turned up 32 senators and 107 representatives with Reserve commissions.

One reason military committees generally have their way is the system itself; if you attack the other fellow's committee on the floor, he may do the same to yours. Armed Services and Appropriations members defend their bailiwicks with relentless zeal against either indivdual attack or jurisdictional raids by other committees. The bulk and complexity of programs, the frequent censoring of reports and hearings records for "security" reasons, and the traditionally one-sided nature of the testimony that is published—all these also inhibit opposition to military outlays.

The debate on the defense establishment has been highlighted this year by a new round of "horror stories" about Pentagon mismanagement and inefficiency: $2 billion increase in the cost of a new giant jet transport; the belated cancellation of a contract for a new helicopter that was badly flawed. Such disclosures of waste are only ancillary to the basic issues in the rising debate over the proper role and size of the nation's defense establishment. But saving a billion here and a billion there has its merits—especially in the light of the military's post-Vietnam "shopping list" of new and even more costly weapons.

The new weapons list is long and varied. It includes a replacement for the Minuteman missile, now the backbone of our strategic force; multiple warheads to boost the striking power of missiles; a long-range bomber to replace the B–52; fighter planes for the Navy and Air Force; three nuclear-powered aircraft carriers at a half-billion dollars each. There are dozens of others.

All of these systems would cost money. But critics argue that some of them—especially the Multiple Independently-targeted Reentry Vehicle (MIRV), as the multiple-warhead project is called—could also seriously escalate the U.S.-Soviet arms race. To some in Congress and elsewhere, MIRV is a greater menace than the ABM.

The case of MIRV points up the critical importance of how decisions are made on whether or not to build a weapons-system. The crucial decisions are made, in the end, by only one man: the President. But the coinage of presidential actions is often minted long before it is issued by the White House. Proposals for foreign and defense policy, for military strategy and for the spending to implement them come to the President's desk from many sources: the Secretaries of State and Defense, the Joint

Chiefs of Staff, the National Security Council, the Budget Bureau, the Congress. Policy-making decisions should, in theory, flow in an orderly sequence: first, basic foreign policy, defense policy to support it, military strategy to implement defense policy, military forces to carry out the strategy; finally, budget decisions to pay for the forces. But, in fact, it sometimes goes the other way: money decisions determine force levels, these in turn affect strategy, strategy influences defense policy—and defense policy then dictates foreign policy.

One man who served two Administrations in a top national-security role puts it this way: "What is needed is a counter to the parochially presented programs and decisions of the Defense Department. No other part of our society functions with so little check and balance. This is not a plot—it is the failure of the rest of our society to develop the expertise to permit reasoned decisions on basic policies."

Can this be done? Many people who know the problem firsthand are gloomy. But the effort is going to be made. A half-dozen proposals for study of the defense structure, and its implications for future national policy, are under way or about to start—including several in the Defense Department itself. The suggestions cover the waterfront and include privately financed research centers to review programs, a new joint Senate-House committee with a strong grant of authority to review national priorities, a new independent defense-review office to analyze military spending, expansion of the Budget Bureau's staff. Some think that a determined, open fight will have to be made on the floor of the House and Senate over every major defense issue.

Even with much stronger congressional control, the President will have the key role. "The question in defense spending is 'how much is necessary?'" President Nixon said in June. "The President of the United States is charged with making that judgment."

Still, questions of costs and priorities persist. None of the answers will come easily, especially in a world where nations build great military forces not to make war but to deter it—a world where weapons are built, as one scholar suggests, "not to be used but to be manipulated."

But however hard the questions, they are at least being asked, some for the first time in 20 years, some for the first time ever. Upon the course of the debate that has just barely begun, and upon the kind of answers that emerge, may depend the place of the United States in the next decades—or the next century.

DEFENSE CONTRACT: THE MONEY WEB

(By Gerald Astor)

The Pentagon has long been able to jet combat troops to fight 5,000 miles from American shores if a President decided to apply kill power there. But heavy equipment—tanks, cannons, helicopters, portable bridges and trucks—all traveled slow water freight. So the word went out from the Pentagon to U.S. industry: build us a really big bird.

Lockheed won, and the droopy-winged C–5A Galaxy, 247 feet in length, is the biggest bird yet to get off the ground. In one load, the four engines will lift an M–48 bridge launcher (128,420 pounds), four quarter-ton trucks with trailers, two ambulances, two five-ton trucks with trailers, two three-quarter-ton trucks with trailers plus 52 soldiers to erect the bridge and drive the vehicles.

The C–5A gives the U.S. armed forces massive airlift power, but when it grabs its maximum gross weight of 762,000 pounds and flings itself into the air, a lot more than military hardware goes into the wild blue yonder. In the three and a half years since Lockheed got the contract, it has added 10,000 workers to its Marietta, Ga., plant. Chubby C. U. Dixon, Jr., a mason who earned $5.55 an hour, signed on for $3.75 an hour to stuff C–5A wings with electrical gear. "Outside, there's no vacation, no retirement, no credit, and it don't rain in here," says Dixon pointing to the 76 acres of U.S. Air Force Plant B–1.

Perhaps another 9,000 Lockheed-Georgia people who worked on other projects have moved on to the C–5A along with the new recruits. In fact, of Lockheed's $6 million weekly payroll, approximately $4 million goes to C–5A workers. For 15 years Gene Amos has been drawing paychecks from Lockheed. "I'm one of the lucky ones, never been laid off," says Amos, a troubleshooter on the production line. "It's a funny thing," he goes on, "but when the union's negotiating a contract, businesses in the area all seem to raise their prices just before the contract's signed. So all you keep are the fringe benefits."

Employees of Lockheed-Georgia spend their money in 85 counties, and most of them pass along their dollars in the Atlanta area and Cobb County, where Marietta is. Gray-haired Len Gilbert, director of the Cobb County Chamber of Commerce, crosses one leg over the other and says, "What does Lockheed mean to us? A heckuva lot. In 1961, a low point when they had about 13,100 employees, the total wages for a quarter in Cobb County amounted to $33 million." He paused to locate the figures. "In the last quarter of 1968, Cobb County showed a payroll of $85 million." Corresponding figures for 1961 and 1968 show an increase in retail sales from $133 million to $368 million. "A payroll dollar turns over seven times," points out Gilbert, making the C–5A responsible for a big chunk of those sales. While the population of Marietta shows only a slight increase since the 1960 census figure of 25,000, suburban Cobb County has added 66,000 folks to the 114,000 that lived there then. Marietta Mayor L. Howard Atherton remembers when the former tenant of the factory, Bell Aircraft, stopped making B–29's in 1945, and 32,000 people lost their jobs. "It felt like the end of the world, but it wasn't so bad. When Bell shut down, the people left town. It was a transient population. Now, it's different. Lockheed is culturally and economically a part of Marietta. Lockheed people are much more solid, they pay their bills, participate in the community life. They couldn't just move away."

Atherton, who is a drugstore owner, believes that even in the unlikely event that Lockheed should go the way of Bell, his community would survive. "There's been so much building in the last few years, construction's had a bigger effect than Lockheed." In the next breath, Mayor Atherton calls the company "vital not only to Marietta but the whole state."

Some local citizens agree with him. The head of a jewelry outlet says business is up, and not just because of the aircraft workers. "But I often say if Lockheed goes, everything goes. Yet there is a helluva lot of new industry around." The manager of a small-loan company says, "We're not solely dependent upon Lockheed, and with Atlanta coming out this way, it wouldn't be that bad if there were a cutback."

The C–5A spins a web of money that touches far beyond Marietta-Atlanta or even the rest of Georgia. Through subcontracts, the money flows to people in 44 states plus Canada and the United Kingdom. One large satellite effort belongs to Avco in Nashville, Tenn., which builds the 223-foot wings. Avco also makes fuselages for Bell helicopters, wings for other Lockheed planes and metal office furniture. But the largest number of employees, 1,500, work on the droopy C–5A wing, making it, in effect, the largest project in Nashville industry. Few workers joined Avco for this particular job—most shifted over from other assignments.

Avco's $125 million C–5A contract sounds like handsome business, but General Manager and Vice President Charles Ames says, "We couldn't live on programs like the C–5A." When and if Lockheed goes ahead with the L–10–11 air bus for civil transport, Avco expects to add workers.

One smaller subcontractor operates out of an abandoned shopping center in Caldwell, N.J. Nash Controls, Inc., a subsidiary of Simmonds Precision, turns out small actuating devices. Business dropped when the Pentagon canceled production on Lockheed's Cheyenne helicopter but picked up with the C–5A. Sensitive to recent congressional rumblings on the "overrun" in the C–5A price (perhaps $2 billion extra), Lockheed officials blame the higher costs on severe inflation in their industry and production-capacity shortages.

Whether one talks to executives, assembly-line workers or local officials, the fears of the military-industrial complex get midget shrift. "We got enough problems building the C–5A," says Gene Amos, "without worrying about that." "It's all a lot of nonsense," says Avco's Charles Ames. "The civilians I know in the Department of Defense are very dedicated, have the highest integrity. There's no desire to perpetuate any military-industrial complex."

GENERALS FOR HIRE

(By Berkeley Rice)

For those who have trouble understanding the complexities of the military-industrial complex, one graphic illustration is the traffic in retired military officers who join the defense industry. More than 2,000 retired generals, colonels, Navy admirals and captains now work for the 100 largest defense contractors. Their numbers have tripled in the last ten years. The top ten firms employ more than half of the 2,000. Many of these had been involved in the contracting process on major weapons systems. Their decisions often meant millions of dollars to companies for whom they now work.

Sen. William Proxmire (D., Wis.) calls this a dangerous and shocking situation." While not charging anyone with corruption, he claims the trend represents "a distinct threat to the public interest." The threat, he says, is twofold: high-ranking retired officers may be using their influence at the Pentagon to affect decisions on contracts with their companies; active officers involved in procurement may be influenced by the prospect of jobs with companies they are buying from. Defense contractors, of course, deny the charges of influence-peddling, and insist they hire ex-military men because of their expertise, and not in reward for past favors.

Despite these denials, research on the employment of retired officers reveals some intriguing patterns. Take the Minuteman II missile program, which has climbed from an original price of $3.2 billion to $7 billion. One of the major subcontractors is North American Aviation ($669 million in 1968 defense contracts). Its autonetics division produces the missile's guidance system for the Air Force. Two Air Force plant representatives and a project officer for the contract recently retired and joined North American autonetics, one as division manager. Lt. Gen. W. Austin Davis, ex-chief of USAF's Ballistic Systems Division, which handled the contract, is now a vice president of North American. His chief procurement officer also joined the company, which employs a total of 104 high-ranking retired officers, including several other Air Force generals.

Asked if this employment pattern is unusual, a senior Pentagon official remarked, "It happens all the time. Almost all the officers who have anything to do with procurement go into the business. Naturally, they go to the companies they've had the most contact with. If you check the history of any missile or weapon program you'll find the same story."

The story usually ends with the Defense Department paying far more than the original estimate. When the Navy contracted with Pratt & Whitney for 2,000 engines for the controversial TFX, or F–111, the original bid

was $270,000 per engine. By 1967, when production began, the price had risen to more than $700,000 apiece. The man who signed the production contract was Capt. Patrick Keegan, the Navy's plant representative at Pratt & Whitney. Soon afterward, he retired from the Navy and joined P. & W. as special assistant to the executive vice president. Sharing his office was another special assistant, a former colonel who until his retirement had been in charge of engine purchases for the Air Force.

The problem of plant representatives is crucial, for they are the watchdogs who supposedly guard against delays, failures and cost overruns on a contract. At Marietta, Ga., where Lockheed Aircraft Corporation ($1.8 billion in 1968 defense contracts) is turning out the giant C–5A jet transport, 230 Air Force officers watch over production. Despite all this supervision, however, the C–5A is well behind schedule, and the final price on 115 planes has climbed from the original bid of $1.9 billion to $3.2 billion. The fact that some of these Air Force production supervisors will probably join the 210 other retired generals and colonels at Lockheed makes one wonder about their objectivity.

There are some limits on what kind of work these men may do when they retire. Federal laws prohibit retired officers from selling to the Department of Defense for three years after retirement and to their own service for life. However, the laws are vague about what constitutes "selling." Since 1962, the Department has taken action in only one case involving a major contractor. Asked why, a Defense Department legal officer comments, "I doubt if anybody here is vigorously beating the bushes trying to discover violations of the selling laws."

Since the purpose of defense companies is to sell to the Defense Department, some observers feel the question as to which employees are engaged in sales is ridiculous. Anyway, most large firms now call their salesmen "marketing men." As defense companies, many of the marketing men are retired officers, but they do not sign the contracts.

W. T. "Pete" Higgins, a former Navy officer, is "marketing manager for naval programs" for an electronics company. "I come with the team that makes the presentation," he admits, "but only as an adviser. With my background in naval electronics, I know damn well I'm helping the company get contracts." Does this mean using his influence? "That's nonsense," says Higgins. "Anything of significance goes through ten to fifteen levels in the chain of command before a final decision. Only peanuts are settled on a single level that could be influenced by personal interest."

Helping the company get defense contracts is a popular non-selling job for high-ranking retired officers. They usually have titles like "assistant to the president" or "director of advanced planning," but they are known in the trade as "rainmakers." Regardless of how much clout they have at the Pentagon, they bring to their companies valuable inside knowledge of service plans for future weapons systems. When a general or admiral who has been involved in planning or research on a big project retires, defense contractors bid for his services as eagerly as any professional football team after a top college quarterback. When Maj. Gen. Harry Evans retired in 1967 as vice director of the Air Force's $3 billion Manned Orbiting Laboratory program, he was immediately hired as vice president and general manager of Raytheon's Space and Information Systems Division. In 1966, Bell Aerospace Corporation, the Army's largest supplier of helicopters, hired Gen. Hamilton Howze, former chief of Army Aviation, as vice president for product planning.

Most of the large defense companies have high-ranking ex-officers in their Washington offices. Everyone denies that they have any influence on defense contracts, but they are obviously there because they know their way around the Pentagon. One of them is Lt. Gen. William Quinn, former Army Chief of Public Information, and now in charge of "Washington operations" for Martin Marietta, which produces many of the Army's missiles. "We maintain liaison with Defense," says General Quinn, "but I don't go over to the Pentagon on any sales matters." Asked about using his influence, he admits he knows "half the people in the hierarchy over there," but claims he never uses his contacts for business. "Believe me," says Quinn, "this operation is as clean as a hound's tooth. Our real contribution is in maintaining a dialogue between our companies and the military people."

Just how retired officers can help to "maintain a dialogue" can be seen in the work of an ex-Navy officer who prefers to remain anonymous. He retired in 1968 from the Bureau of Naval Weapons, where he had been involved in the selection of contractors. He now works for one of them as a $200-a-day consultant in Washington. "I know a lot of Navy people here," he says, "and I sort of help the company's men find their way around. The salesmen take care of selling, but if you don't have an intro like me, you waste your time with underlings who don't have any power. If I want a contract, I know exactly who to go to. Some other guys may know the technical stuff, but I know the people. That's my expertise."

Such expertise may raise questions about conflict of interest, but not to most retired officers who have joined the defense industry. Says Pete Higgins, "You take a man who retires around 45 to 50, with his kids ready for college, and he's got a problem. He can't do it on his retired pay. He's got to have a second career. Many of these men have no other marketable experience. Where the hell else do you want them to go!"

No one seems to know, but as they continue to go into the defense industry the contracting process may suffer. One Defense official claims, "the fact that these lucrative job opportunities exist cannot help but influence those who deal with defense contractors. I remember trying to hold down costs on a large contract once, and a general working with me said, 'I must be out of my mind, trying to cut the overhead on this company. I'll be part of that overhead in a few years.'"

When military men spend much of their careers dealing with companies they may eventually work for, they naturally develop some concern for the company's point of view. When 90 percent of the major defense contracts are negotiated in such a congenial atmosphere, price and the public interest can easily become secondary considerations. A normal buyer-seller relationship has a built-in check against this sort of thing, because the buyer must spend his own money. The services do not, a fact which Pentagon officials and procurement officers often seem to forget.

Despite all the criticism of defense spending, most military men look on the growing traffic between the services and the defense industry as natural and proper. An admiral who has bade the transition himself claims, "It's good for the military, it's good for the company, and it's good for the country."

It's certainly good for the companies thriving on defense contracts. It may be good, or at least comforting, for the military to deal with former comrades who understand their problems and look forward to jobs in industry. But as defense costs continue to drain funds desperately needed for domestic programs, some Americans are beginning to wonder if "it" is really good for the country.

THE WASTE

(By David R. Maxey)

Remember Robert Goodloe Harper? No? He's the prophet who said, in 1798, "Millions for defense, but not one cent for tribute." We haven't let Bob down. Harper's hyperbole, now puffed to $80 billion annually, is still part of the American way of life. Congress has traditionally watched domestic spending like a hawk, but focused loosely on defense. Here are some examples of looseness that have stirred interest. How do you like them?

DIVE! DIVE!

In 1964, the Navy planned to buy 12 Deep Submergence Rescue Vehicles. Purpose: to lend aid to disabled submarines. Cost: $3 million each. In June, hideous new cost estimates surfaced. Now, the Navy will buy six vehicles for $80 million each. Cost increase: 2,666 percent. Since the 1920's, we have had one submarine accident at which the DSRV might have had a chance of being useful. One.

THE RUSSIANS WERE COMING, THE RUSSIANS WERE COMING!

The threat of Soviet bombers in American skies caused us to build a gigantic air-defense system. One estimate of cost: $18 billion. The Russians failed to uphold their part of the bargain by not building enough bombers to be a real threat. We should be grateful for that, because our air-defense system does not work very well. Now hear this testimony:

Senator Cannon: "In other words, the Air Defense Command agrees that if the Soviets sent over (deleted) heavy bombers now, we would only knock down (deleted) out of the (deleted)?"

Dr. Foster [of the Defense Department]: "I cannot speak for the Air Defense Command, sir; but I am not the least bit surprised. (Deleted)."

Senator Cannon: "I am shocked at that."

Senator Symington: "Incredible."

The system maligned above costs annually at least $1.34 billion to operate, with outsiders betting on $2 billion.

DISINGENUITY WALTZ

Gordon Rule, Director of Procurement Control and Clearance, U.S. Navy, told Sen. William Proxmire at a meeting of his subcommittee recently why defense-procurement programs so often cost much more than estimated: "We play games. The contractors know if they tell the Department of Defense how much a system will really cost, they'll scrub it. The Department of Defense knows if they tell the Congress the real cost, *they'll* scrub it. You start in with both sides *knowing* it's going to cost more." Proxmire shouted that was dishonest. Rule replied that he preferred to call it disingenuous.

BALLAD OF ERNIE FITZGERALD

In November, 1968, A. Ernest Fitzgerald, Deputy for Management Systems for the Air Force, told the Proxmire subcommittee he estimated the Lockheed C–5A cargo plane would cost about $2 billion more than the Air Force had originally estimated. Pentagon executives became cross with Fitzgerald for his candor. Twelve days later, he found that his Civil Service status had been revoked. "Computer error" was blamed for giving him that status in the first place. Senator Proxmire then unearthed a memo to Assistant Secretary of the Air Force Robert Charles. The memo discussed ways to fire Fitzgerald. Fitzgerald still has a shriveled version of his job, but cost control on large weapons procurements is not part of it. The Air Force has since verified that Fitzgerald's estimate of a $2 billion overrun on the C–5A is very close to right. Lockheed first estimated that it would lose $13 million on the C–5A, then allowed it might make a few bucks.

THE LITTLE HELICOPTER THAT COULDN'T

Helicopters are crafts of real beauty only when they work. The Cheyenne helicopter was never beautiful. It was to be a gunship, built as such from the ground up. Willis Hawkins, then Assistant Secretary of the Army for Research and Development, supported the idea. Hawkins had come to the Army in 1963 from a vice president's job at Lockheed.

It took time to decide what firm should

build the Cheyenne. Experts first rated Vertol, Bell, Lockheed and Sikorsky in that order. A Source Selection group of generals made changes, rating Lockheed first, then Vertol, Sikorsky and Bell. A final pick gave the contract to Lockheed. Why? "Stronger management." "What general," rips a critic, "could rate Lockheed's management anything but high when he knows that the Assistant Secretary came from Lockheed?"

On March 23, 1966, Lockheed got the research-and-development contract. Three months later, Willis Hawkins resigned and returned to Lockheed. The first Cheyenne appeared in May, 1967, followed by nine more. Test flights began. In March, 1969, a Cheyenne off California threw three rotor blades and plunged, killing the pilot. In April, the Army threatened to cancel the contract for lack of satisfactory performance. Estimated costs had soared all the way from $138 million to $186 million for 15 ships. In May, 1969, the Army canceled the Cheyenne, after spending $159 million.

BUT IT WORKS ON PAPER

A study by Richard Stubbing of the Bureau of the Budget said we're getting worse, not better, in the design and application of electronics system for aircraft and missiles. Strubbing listed 13 major Air Force and Navy aircraft and missiles produced since 1955, pointing out that only four had electronics systems that were over 75 percent reliable. Eleven other systems, which cost $25 billion, sputtered below the 75 percent standard. Four programs were either canceled or phased out for low reliability. Stubbing said we'd do better to ask systems contractors to build working models rather than promising reliability based on paper estimates. He also thought competition between contractors would concentrate their minds wonderfully.

THE HIGH COST OF ABORTED MISSILES

Sen. Stuart Symington of Missouri pointed out last March that over $4 billion had been spent since 1944 for missiles that never got into position to be fired. They all perished during the research-and-development phase of their lives. Big as that figure is, it's smaller than if those missiles had been produced and deployed, then found to be technically sick or obsolete. Fifteen other missiles did get into position, then were scrapped. Cost: $18.8 million.

How To Cut the Budget

Vietnam is a giant teaching machine. Without the mind-riveting pain it causes, we might still be leery of questioning the operations of the Department of Defense. We might still be dreaming that since our military establishment is the finest in the world, the running of it is better left to military experts, well-supplied with money.

Such dreams have faded. Congress, less afraid of being labeled unpatriotic, is asking penetrating questions. And the answers prove beyond imagining that if to err is human, the Pentagon is full of mortals. From that finding, it is only a step to asking whether we can't have sufficient defense at lower cost, and perhaps use the savings for programs with lower priorities, like healing our cities and making poverty an anachronism. The answer to the first part of that question is yes. The Defense budget can be cut without radically thinning our blood.

Some of the best thinking about the military budget has been done by Charles Schultze, former Director of the Bureau of the Budget and now a Senior Fellow at the Brookings Institution in Washington. Schultze, a rational man, hopes that our defense planning proceeds logically. First, we examine what our commitments around the world are. For instance, we now have in force better than 40 mutual-security agreements involving the U.S. in the defense of large chunks of Earth. Should we be all that involved? Do some pacts need rethinking? Given those commitments, what kind of fight might we get into? What threats should we plan for?

This June, Schultze reminded Sen. William Proxmire's Subcommittee on Economy in Government that our contingency planning now says that we should be able to start fighting, simultaneously, a major "NATO" war in Europe, a major war with China in Southeast Asia, and a minor scuffle in Latin America, such as our last trip to the Dominican Republic. Schultze pointedly said that the China war contingency, a $5 billion assumption, was never debated in the Congress, even though the Defense Department has made it very, very clear that it is covering the possibility of such a war.

Once our contingencies are agreed on, Schultze said, we take the step of asking what force levels we need to handle them. How many men? Then, what weapons systems should we buy?

So. An orderly process, from commitment to contingency to force level to weapons systems. Schultze cautions that every decision along the way needs fresh scrutiny, because, for instance, the decision to be ready for two and a half wars does not make the force level needed to fight them obvious and unchangeable. Schultze delights in the example of the Navy's aircraft carriers. Currently, the Navy has 15. Why 15? One reason is that the Washington Naval Disarmament Treaty of 1921 ladled out national quotas of capital ships. The U.S. got 15. After World War II, the Navy saw that the 15-battleship force was obsolete. The aircraft carrier became the new capital ship, but we cling to the magic number still.

Carriers are what one critic calls "hideously vulnerable" to air attack. They work best, when the U.S. has unquestioned air superiority, such as in Vietnam. But does their vulnerability, and the number of dryland fields, justify having 15? If the force could be cut to 12, say, the U.S. would save about $360 million. And the direct cost of building one new carrier is about $540 million.

Schultze comes down hard on the military tendency, logical only in a world of limitless wars and money, to plan for every possibility, remote or not, and build forces and weapons systems to meet it.

Currently, we are planning AWACS, the Airborne Warning and Control System, to add to our existing air-defense system. The logic of air defense tortures the mind. We built the system to shield us from Russian bombers, which the Russians never really got around to building. Now, we spend to improve it in order to discourage Russia from getting around to building bombers. Proponents of AWACS say it will warn us of Kamikaze-style attacks from Soviet medium-range bombers. How likely is that? And would it feel better to know that if our cities crisp in a nuclear war, we'd be burned by missiles instead of bombers? There is, by the way, much reason to doubt that AWACS will work any better than the current system.

In June, 1968, *Congressional Quarterly*, putting civilian and military officials off the record to elicit candor, did an exhaustive reporting job on the Defense budget. *CQ* found Pentagon insiders estimating that, aside from savings on weapons systems we don't need, around $4.2 billion could be excised by cutting the size of the armed services. That estimate did not assume an end to the Vietnam war, but only a reduction in the proportion of support troops to combatants (now about three to one), and a drop in the number of men in the "transient" category—men budgeted in excess of force requirements because they'll be traveling, not working.

Nine months later, Robert Benson, formerly of the Comptroller's Office, Defense Department, wrote in *Washington Monthly* that he saw another $1.5 billion in savings from troop reductions in Europe. We have over 300,000 there now, plus 200,000 dependents. Benson argued that the U.S. will not send troops into Eastern Europe anyway (witness Hungary, Czechoslovakia), so the forces can be reduced without critically diluting the American presence.

Benson found further savings in people. He figures that if annual leave time for a serviceman were cut from 30 days to 20 (to more nearly match civilian vacations), it would slice manpower requirements enough to save $450 million. Benson also proposed shortening basic training for soldiers not aimed at combat roles—that is, most of them. Saving: $50 million a year. The Air Force and the Navy have already shortened basic training for their men. And why, asks Benson, should every Army officer be shuttled around as if he were in training to be Chief of Staff? Right now, men move on the average of once a year. Benson shows savings of $500 million if assignment changes could be lowered by 25 percent.

Between them, Benson and the *Congressional Quarterly* staff agreed on a cut in the Defense budget of $9 to $10 billion a year, Vietnam or no Vietnam. Benson's estimate includes a 15 percent increase in the efficiency of defense contractors. That might take some doing.

In the broadest terms, and with examples almost too fierce to mention, the Proxmire subcommittee found that there never has been much interest in cost control, either on the part of contractors or their customers in the armed services. Ernest Fitzgerald, who first identified the $2 billion cost "overrun" on the Lockheed C–5A jet transport that cost control is seen as "antisocial acivity." He cited the case of the Mark II avionics system, a "black box" for the navigation gear and radar on the F–111 fighter-bomber. Costs on the system, experts bet, have risen from a planned $610 million to $2.5 billion.

In June, Secretary of Defense Melvin Laird, doing some digging of his own, produced a study of 12 weapons systems that showed cost overruns ranging from 0.2 percent to 194 percent on nine of them. The latter increase was on SRAM, the Air Force's Short Range Attack Missile, now expected by the Pentagon to cost $313.9 million more than was estimated. Outsiders bet the SRAM bloat is worse than that. Laird dryly noted that $1.4 billion of the nine overruns was due to "optimistic original cost estimates" on the part of weapons contractors.

But contractors suffer from more than simple optimism. They sometimes underestimate their costs deliberately, in order to bid low and grab a contract. This practice is called "buying in." It is based on the assumption, valid historically, that the customer services will pay the costs no matter how they creep. Former Assistant Secretary of Defense Robert Charles could not recall for Proxmire when he'd last seen a major defense contractor lose money on a contract. That, in spite of the fact that over 90 percent of all weapons systems end up costing twice what the contractors' original estimate said they would.

Fitzgerald has some ideas of how to bring an atmosphere of candor and concern for cost into the military-industrial dialogue. In the process of explaining them, he has made public a privileged language. For instance, when a manager of a weapons-system procurement finds that costs are outrunning the money Congress gave him, he has a "funding problem." In other words, costs are not too high, his funds are too low. Fitzgerald reports that since he's been in the Pentagon, he has never heard of cost reduction as an answer to a funding problem. A "credible" cost estimate is one high enough so that actual costs do not produce an embarrassing overrun.

What Fitzgerald and others are telling us is that bargaining and cost control, twixt military and contractor, is not gimlet-eyed jockeying in the best sense of free enterprise. It is more the murmuring of lovers.

Fitzgerald would like to see the Pentagon use what are known as "should-cost" studies. These studies, sharp penciled by efficiency experts, try to answer what a weapons system should cost, assuming for one sweet, fleeting moment that the contractor operates in a reasonably efficient way. The Government would function as a management consultant to show the company how to hold costs down. Previous should-cost studies found considerable waste motion and superfluous workers, sometimes overstaffed up to 60 percent for the work needed. Taken together with hard-nosed devotion to economy on the part of top Pentagon officials, should-cost studies and other techniques, Fitzgerald thinks, could result in the saving of billions. Think that over. Billions.

We should lay to rest now the notion that defense cuts would damage the economy. Arjay Miller, ex-Ford Motor Co. vice chairman, told Look Senior Editor Al Rothenberg: "I think a reduction in military expenditures . . . would have a plus effect on the economy. When rumors of peace break out, the stock market goes up. . . ."

If the Pentagon moves sharply to slash costs, the size of the Defense budget will depend all the more on the decisions made in the White House and Congress about how ambitious the country's defense policy should be. Charles Schultze is not impressed with the idea that a well-organized military-industrial complex has been siphoning cash out of the Treasury with evil design. Rather, he said, the American people "have pretty much been willing to buy anything carrying the label 'Needed For National Security.'" Schultze talked about involving the Bureau of the Budget, traditionally the President's watchdog, more deeply in the writing of the Defense budget. Previously, the Department of Defense was less scrutinized than any other Cabinet department. President Richard Nixon recently took Schultze up on that, giving Budget Director Robert Mayo what Mayo called his "marching orders" to examine Defense thoroughly.

All the talk of cost-cutting now, of reducing the Defense budget, echoes down the road to a time when the bad dream of Vietnam will be over. Then, we will find out what kind of "peace dividend" we'll get, i.e., how much money will be available for use in domestic programs or for paying out to taxpayers in the form of lower taxes. Projecting tax gains from a growing economy and the savings from not being in Vietnam against the automatic increases in domestic programs and the growth in non-Vietnam defense spending, Schultze forecast a cumulative fiscal dividend of $35 billion by 1974. That sounds large, until we note that increases in military spending *already planned* will use up the $20 billion a year we save from leaving Vietnam. The Defense budget can go marching on without the war. Whatever fiscal dividend we do get will come from the gain in tax revenues from a full-tilt economy. And Schultze's projection does not include the costs of large new weapons systems, or an escalation in the arms race. Those would poison the dividend.

The Nixon Administration has already cut $1.1 billion in expenditures from the 1970 Johnson Defense budget. Recently, the Manned Orbiting Laboratory, a project on everyone's list of extraneous matter, was unmanned. Future savings from that surgery will be at least $1.5 billion, perhaps more. And Laird has given every indication that his study of nine weapons systems would not be the last hunt for waste.

But we also have the word of Robert Moot, Defense Department Comptroller, that the Pentagon expects no significant cutbacks below the $80 billion budget, even after American forces move out of Vietnam. He guessed $75 billion would be somewhere near right, unless "our commitments and our missions can be cut back." And the responsibility for thinking about that, aside from the President's, lies with a Congress now somewhat awake to the chances of saving some dollars for domestic consumption.

THE UNIVERSITY ARSENAL

(By Ruth Gelmis)

Angry students and newly formed groups of concerned faculty are raising some tough questions on college campuses. The American multiversity, it seems, is fast on its way to becoming a docile Pentagon pet, dependent on military financing and deeply enmeshed in the defense establishment.

On March 11, more than 1,400 students crammed into Stanford University's Memorial Auditorium to demand the facts about that school's involvement in war research. (Stanford ranked 46th last year among the nation's defense research-and-development contractors.) The answers were to come from five university trustees. One was William Hewlett, president of Hewlett-Packard, whose defense sales last year totaled $34 million. Hewlett is also a director of Chrysler ($146 million in defense contracts) and FMC Corporation ($185 million). Another trustee was Charles Ducommun, a director of Lockheed ($1.9 billion).

Among the trustees who were not there were the president of Northrop Aircraft and the chairman of General Dynamics.

A trustee began, "I don't think it's fair to say that the university is participating in the war." The audience groaned. He continued, "Many people within the university are actively opposing the war."

"It's very nice," a student shouted, "to view the university as an open place where I do my thing and you do your thing, only your thing happens to be doing research on weapons of destruction and death in the name of the university."

The two-hour confrontation turned very nearly into a rout, as the trustees' answers became progressively inadequate, irrelevant and evasive. At one point, Hewlett flatly denied a charge that FMC manufactured nerve gas. The students presented evidence; Hewlett countered that his source was the president of the corporation. Finally he admitted FMC *had* been making nerve gas up to six months earlier.

The trustees' performance at that meeting radicalized a good many students, including Mike Sweeney, a former editor of the Stanford Daily who was sufficiently respected by the administration to have been appointed to two important student-faculty committees. Sweeney walked in a liberal and walked out a radical. Now he pickets and demonstrates. "I've lost all my credit with the Establishment. It doesn't matter; you no longer care that much whether your future is going to be destroyed, whether you're imprisoned, whether you'll be physically endangered—because there's no alternatives."

The Stanford University trustees appoint the Board of Directors of the Stanford Research Institute. SRI was created in 1946 as a nonprofit "wholly-owned subsidiary" of Stanford to "improve the standard of living and the peace and prosperity of mankind." It does nearly half its research ($29.7 million) for the Defense Department. Ten percent of its work ($6.2 million) is military research directly related to Southeast Asia. SRI operates top-secret counter-insurgency projects in Thailand, including a new $1.8 million contract accepted last December. It has also done secret counterinsurgency research in Vietnam, Honduras and Peru. One classified project is summarized as "considering the advantages and disadvantages of providing U.S. operational assistance to the armed forces of the Government of Peru engaged in counterinsurgency operations."

SRI's board includes:

Ernest Arbuckle, chairman. Arbuckle is a Stanford trustee, a director of Hewlett-Packard and a director of Utah Construction & Mining. Utah built B-52 bases in Thailand, and its affiliate, Marcona Corp., mines iron ore in Peru.

Edmund Littlefield, also a Stanford trustee, and president of Utah.

Malcolm MacNaughton, president of Castle & Cooke, which owns 55 percent of Thai-America Steel and 84 percent of Standard Fruit. Standard Fruit imports bananas, nearly half its supply from Honduras.

Edgar Kaiser, chairman of Kaiser Aluminum, part owner of Thai Metal Works. Kaiser also has an 80 percent interest in the phosphate deposits of the Sechura Desert in Peru.

Fred L. Hartley, president of Union Oil of California, which has drilling rights off the Thai coast.

Gardiner Symonds, chairman of Tenneco, which now has extensive concessionary rights in Indonesia.

Counterinsurgency is not the brainchild of these directors, but it protects their interests very well.

Jerry Dick, a young physicist and father of two, is opposed to the Vietnam war. In February, at a meeting sponsored by the Stanford chapter of the American Association of University Professors, Dick heard SRI President Charles Anderson argue that no researcher was forced to take on any project he found morally objectionable.

Dick stood up: "Sir, I was pressured into doing chemical-warfare research." That candor, he learned later, nearly cost him his security clearance.

I went looking for Dick, and an employee told me, "I think he's still here, but he may not want to see you." Couldn't I talk to him on the telephone? "Well, that might not work either. It's clear that they *can* bug the switchboard, and a lot of us here think they probably do."

I asked Weldon "Hoot" Gibson, executive vice president of SRI, if Dick was still working there. His face flushed with anger. "I don't know. I really don't. Have you seen him? Don't bother. . . . People like that have a decision to make—do they want to support the organization or not?"

When I found Jerry Dick, he'd been fired.

William Rambo is associate dean of the Stanford School of Engineering and director of the Stanford Electronics Laboratories, target of a nine-day student sit-in in April. The labs held $2.2 million in classified contracts, primarily in electronic-warfare research, before the faculty senate directed on April 24 that the contracts be phased out. Shocked faculty members learned meanwhile, from the sit-in students, that contract titles and summaries had been carefully edited to delete military references, apparently to facilitate approval of the contracts by a watchdog committee on classified research. "Applied Research in Electronic Warfare Techniques," for example, became "Applied Research in Electromagnetics."

Rambo is on the board of, and holds stock in, Itek, an electronics firm that held over $80 million in defense contracts at the end of last year.

He is also a member of several military advisory committees, including the Defense Department Advisory Group on Electronic Warfare and ECOM—the Army Electronics Command. In other words, he is called upon as an expert to advise the Defense Department on the usefulness of the kinds of equipment Itek supplies.

Rambo, in all sincerity, says he wonders "how much talent we are denying the Government by this sensitivity regarding conflicts of interest."

In a 1966 memo, Hubert Heffner, then Stanford's dean of research and now Nixon's deputy science director, acknowledged that it was "not uncommon" for faculty members to be directors of private firms, and, declining to set rules, urged teachers to be "sensitive" to potential conflicts of interest.

Sensitive or not, professors across the nation sit on the boards of defense industries and advise military committees.

MIT'S research budget for the academic year 1967–68 was $174 million, and 95 percent of this came from the Federal Government, with $120 million from the Defense Department alone.

Such heavy dependence on one source worries many university administrators, including Cornell's former president, James Perkins, who warned that the "acceptance of Government work and corporate donation has been known to result in a slowing down of the university's critical faculties."

One laboratory director may already be in trouble because of his cautiously critical views. Dr. Wolfgang Panofsky, who directs the AEC-funded $30-million-a-year Stanford Linear Accelerator Center (SLAC), believes university scientists ought to play a crucial role as an independent source of public review of defense policy: "It can't come from people who work directly for the Defense Department because they're obligated to live by official policy. It can't very well come from the contractors whose living depends on the Defense Department. So the universities are the only places with the technological expertise left. The real problem is how do you keep the universities from becoming captive in the process of furnishing this advice?" One answer, he says, is that "the livelihood of the university must in no way depend on Defense Department support."

A professor at the Center, arguing that "the director of a laboratory is not a free man," attributes SLAC's current funding difficulties to political reprisals. "This lab is not being pleasant politically anymore. Most of the people here have come out against the ABM, so the Center has begun to lose a few of its friends in Congress. And the way you get a budget increase is, you have friends on the AEC, friends on the Joint Atomic Energy Committee."

A few months ago, as if deliberately to substantiate that charge, Francisco Costagliola, who was at the time an AEC Commissioner, wrote to Stanford and MIT threatening that should the schools decide against doing classified research, he would press for withdrawal of *all* AEC research money.

Sidney Drell, another SLAC professor, found himself in an awkward position when he addressed the Stanford March 4 Convocation. (Stanford and more than 30 other universities held convocations that day to raise the issue of war research.) Drell carefully avoided taking a public stand on the ABM that day because he felt constrained by his position as a member of the President's Science Advisory Committee. He is an opponent of the ABM.

Money, or the lack of it, has boxed a number of university administrators into a corner. Some admit a desire to pull back from defense work and reorient research priorities, but complain there is simply no alternate source of comparable financing. The one agency specifically charged with supporting basic research, the National Science Foundation, has only enough in its till to support 12 percent of that research. But the Defense Department, NASA and the AEC do support a good deal of basic research, partly because they can more easily get appropriations.

When pressure on the Defense Department compelled it to cut back on some of its controversial foreign-country projects, it offered to transfer $400,000 of its own $7.8 billion research budget to the State Department. The Department of State's current budget for research contracts is $125,000.

Stanford's President Kenneth Pitzer complains, "Our national priorities are wrong." But when he needs funds for university research programs or expansion, where is he to go? The new Stanford Space Engineering and Science Building, for example, was made possible by grants of $2,080,000 from NASA and $992,000 from the Air Force.

Universities have learned that it doesn't hurt to have a Pentagon man on your staff. When the president of the California Institute of Technology, Lee DuBridge, left for Washington to become Nixon's Science Adviser, he was replaced by Harold Brown, then Secretary of the Air Force. Last year, Caltech received $3.5 million from the Defense Department, much more than its entire student tuition. NASA and the AEC supplied an additional $5 million. Caltech also operates the nearby $214-million-a-year Jet Propulsion Laboratory for NASA.

A year ago, the University of Rochester, whose defense contracts increased from $1 million in 1966 to $13 million in 1968, hired as its vice president and provost, Robert L. Sproull. Sproull is the current chairman of the Defense Science Board, the top Pentagon science-advisory committee.

The University of California holds $17 million in defense-research contracts and administers the $250-million-a-year missile-development and testing laboratories at Livermore and Los Alamos. Its new president is a former Assistant Secretary of Defense, Charles Hitch. The university also maintains an $80,000-a-year office in Washington.

MIT chose Jack Ruina to be vice president in charge of the Lincoln and Instrumentation laboratories, which do most of their business ($92 million) with the Defense Department. A former Pentagon official, Ruina is a pragmatist: "You can say you'll withdraw the labs [from military work], but who's going to pay their salary?"

The heavy investment in military research has a snowballing effect. As one professor complains, "The trouble is, when you develop it, somebody will want to build it." The researcher who takes on a military contract because that's where he can most easily get funding, and then develops a new technique or weapon, frequently starts a new "spin-off" corporation to produce it. Route 128 around MIT and Harvard and the 900-acre industrial park owned by Stanford University are crowded with hundreds of aerospace and electronics spin-offs, most of them doing most of their business with the Defense Department. In recent years, 160 new firms have spun off from MIT alone.

The new corporations in turn hire university consultants (MIT professors may consult one day out of five) and graduating students. For that one-third of MIT's graduate students who support themselves as research assistants, future careers are determined by the kind of research they do while in graduate school. In 1968, 45 percent of MIT's industry-bound graduates took jobs with the top 100 prime defense contractors. Many still receive draft deferments for working in a defense plant.

Every new employee of a defense-oriented corporation has a vested interest in a swollen defense budget. His livelihood depends on it.

Half of all U.S. research and development is military in nature. Last year, the U.S. spent four times as much on chemical and biological warfare as it did on cancer research. The man who invented napalm was not a Dow employee but a Harvard professor working in a Harvard lab. Universities and nonprofit research institutes received $665 million from the Defense Department in 1968, for work on the ABM and MIRV, for research on aerial-weapons systems, antipersonnel bombs, chemical and biological warfare, incendiary weapons, counterinsurgency, and such mind-teasers as the classified contract titled "Beliefs and habits of certain foreign populations of significance for psychological operations."

Talent and funds that could be applied to problems of urban blight, disarmament, pollution, poverty, and disease are drained into newer, bigger, better weapons systems.

Dr. James Killian, chairman of the MIT Corporation (he was the nation's first presidential Science Adviser), has recommended to a Senate subcommittee that an ad hoc task force be created to review our weapons technology and strategic policies. Scientists thus "free or organizational loyalties" could make recommendations "without being constrained by any departmental commitments or biases."

Such a task force is not even in the planning stage. Right now, if the President wants a detailed study of, say, Russia's strategic capabilities vis-à-vis the U.S., he asks the Defense Department to ask the Air Force to ask the Rand Corporation to do the study. There is no large-scale, civilian-supported "think tank" to which the public or Congress or even the President can go directly for advice on strategic policy. The scientist's voice is captive, reaching us only after it has been filtered through Pentagon agencies and distorted by military interpretation.

Our Security Lies Beyond Weapons

(By W. Averell Harriman)

Like many other Americans, I am fearful about the present role of the military in our national life. Military men have as their primary responsibility the defense of the nation, and they are miscast when they are expected to be omniscient on other vital national concerns. It is in some ways unfair to ask them to accept responsibility for decisions on which they are clearly unqualified to give a balanced judgment.

I have worked closely with our military officers during the past three decades and respect them for their competence and dedication to our country. I have held many of them in the highest esteem, among them General Marshall. I vividly recall Marshall explaining to President Roosevelt that his advice was given purely from a military standpoint.

When military men advised extreme action in Vietnam, I am not sure that they fully realized the limited character of our objectives there. We are not there to win a war, but simply to stop the North from taking over the South by force, and to permit the people of the South to decide their own future. I am not sure that all those advising the President fully understand how limited our objectives are. Somehow or other, there is a feeling that we are fighting the international Communist conspiracy—rather than Vietnamese national Communists who do not want to be dominated by either Peking or Moscow. The international Communist situation is quite different today than it was in the early postwar period. During those days, I was always on the side of those wanting more arms for our nation. When South Korea was attacked, we had a military budget of only about $14 billion, and we suffered greatly from it. But today, we have a military budget of almost $30 billion, and have so many other requirements in our country that it is time to call a halt to our arms buildup. The war in Vietnam is an unfortunate drain on our resources, and will, I hope, be brought to an early settlement. The money we spend there is urgently needed now to reunite our own divided country.

It is not the military's job to know how that is to be done, and they cannot be expected to weigh the technological requirements of the military against the requirements in our cities. The military today are asking for new weapons that in my judgment are clearly less important than other national needs.

We obviously must maintain nuclear capability giving us a second strike force that would deter the Soviet Union or anyone else from hitting us. But that does not mean we have to be ahead in every aspect of nuclear capability, nor does it mean that we

must have many times the power to overkill any enemy.

In 1941, I was in London as President Roosevelt's representative to Prime Minister Churchill and the British Government. Even then, I was struck by the difference in the role of the military in Britain and in the U.S. The British War Cabinet consisted of the political leaders of the country, and the ministers of the armed services were not even members of it. I am not suggesting that the British military leaders were not highly respected or that their views were not given full weight. But they were given weight within the Cabinet in balance with the other problems of the British nation. The military chiefs of staff were advisers to the Cabinet. The military establishment was integrated into the policy-making procedures of the British Government. They had no contact with the Parliament, nor did they give any public expression of their views.

This is altogether different from our present procedures. Not only the Secretary of Defense but also the Chiefs of Staff go to the committees of the Congress and testify on all sorts of matters. As a result, a number of senators and congressmen get an unbalanced view of our nation's needs from military men who are responsible for only one aspect of our national concerns. What I am suggesting is that we have a group of senators and congressmen whose attention is concentrated on military needs. That is why we had one member of the Congress saying a short while back that if we turned over the Vietnam war to the soldiers, they would win it in a month.

Nothing could be more absurd than that statement. But it indicates the mind-set that some members of Congress get after steady bombardment by the views of our military. Their responsibility is the security of the nation, and they must look at the worst of everything. Those who see only the possible military threats would drive us into another world war. That is why isolated military judgments of political situations are not sound. Robert Kennedy wrote that during the Cuban missile crisis, he was struck by how often his brother's military advisers took "positions, which, if wrong, had the advantage that no one would be around at the end to know" how wrong they were.

All of us abhor Soviet repression of freedoms at home and in Czechoslovakia, and their support for Communist subversion in independent countries. But I decry the attempt that is being made today by some in the Defense Department and Congress to scare the American people into believing that the Soviets are scheming to attack us with nuclear weapons. No one knows the intention of the Kremlin, but I can speak from my Russian experience that dates back over forty years. I am convinced that the Soviets are as anxious to avoid destruction of their country by nuclear war as we are of ours.

It is particularly alarming that there appears to be a new policy in the Pentagon, to have the civilian-directed offices of International Security Affairs and Systems Analysis support the recommendations of the Joint Chiefs of Staff and not question them.

It is reassuring that the Congress is increasingly showing concern over military programs and exercising its independent judgments on decisions.

I believe that negotiations we are now starting with the Soviets to control the nuclear arms race are the most important we have ever undertaken. They can be successful if we act wisely.

From my talks with Mr. Kosygin and other Soviet officials, I am satisfied that they want to stop the nuclear arms race for two reasons. They don't want to divert further expenditures from their pressing internal needs. And they believe the U.S. and the Soviet Union should come to an understanding now to reduce the risk of nuclear war. This is a time of world opportunity—a split second in history. I have been told by my scientist friends that both sides can develop effective MIRV's (Multiple Independently-targeted Re-entry Vehicles) in a relatively short time. It is vital that agreement be reached before this occurs. We can each tell the number of missile sites the other has but we cannot know the character of warheads fitted to the missiles without detailed on-site inspection. I was very much shocked to hear that the military had gone ahead to order these multiple warheads without telling the Congress or the public that they had done so.

There are advisers in our defense establishment who are on record as opposing an agreement with the Soviet Union on nuclear restraint. They are entitled to their opinions, but it would be inexcusable if actions were taken that committed us to the arms race without the widest possible discussion. I am sure President Nixon believes that an agreement on nuclear restraint is of vital importance to our nation, and most Americans share this judgment.

It is interesting that it took eight years for the Congress and the public to understand what President Dwight Eisenhower was talking about when he warned about the military-industrial complex. It is only recently that we have begun to question the new weapons programs, the wisdom of immediate deployment of the ABM, and testing of the MIRV. Until now, the pressure from the Congress has been to appropriate more money than the Administration requested for new weapons programs. Pressure comes now in the opposite direction. The turnaround is due largely to the unpopularity of the war and the urgency of domestic needs. We are beginning to recognize the danger of a militaristic attitude on the part of our country. Our security will not come from the number of our weapons. It will come from the strength of our moral force at home and abroad, from our economic and social strength, and from the unity of our people.

Mr. PROXMIRE. In addition, Mr. President, I call attention to two editorials, published in the New York Times of August 11, 1969, one entitled "Homage to the Astronauts," and the other entitled "Portrait of Mars." I read briefly from the first editorial, as follows:

This background makes it particularly unfortunate that the formal celebration planned this week has such a narrow, nationalistic cast. In the words of the plaque they left on the moon, the astronauts "came in peace for all mankind." Yet their visit to the United Nations next Wednesday will be very brief, while the rest of the day will be devoted to an American celebration of an American achievement.

Perhaps it is not too late for more imaginative planning to emphasize the role of the astronauts as envoys of all humanity, emissaries whose trip was made possible by contributions of knowledge from many nations over many centuries. Better than any men before them, after all, Armstrong, Aldrin and Collins know that this one planet is one world and that what unites men is far stronger and more important than the forces dividing them.

I also wish to quote briefly from the followup editorial, on where we go from here, entitled "Portrait of Mars." After discussing what the remarkable shot we have seen in the last few days has revealed about Mars, the article says:

Whether the Pimentel-Herr hypothesis is right or wrong, the case is strong for further intensive study of Mars by unmanned satellites—as against a precipitate switch to the much more costly alternative of manned exploration. A race to put men on Mars would be a moondoggle for which there is neither need nor justification.

I hope when we look at the space authorization bill, which I understand will be before us shortly after we return, we will keep that in mind. The National Advisory Council advised some time ago that we can save a billion if, for the next 3 or 4 years, we limit our space exploration to unmanned exploration. Our voyage to the moon is the most remarkable achievement in centuries. Having accomplished that, our next step should be unmanned space exploration, with less potential loss of life and a great saving in funds.

I ask unanimous consent that the New York Times editorials from which I have quoted be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

HOMAGE TO THE ASTRONAUTS

By this morning, if all goes as planned, the three Apollo astronauts will have been released from quarantine and reunited with their families. Then they will begin receiving the world's homage for their historic accomplishment in a celebration that will start with Wednesday's grueling cross country parade.

Armstrong, Aldrin and Collins richly deserve the heroes' acclaim they will receive in the days immediately ahead. As no earlier feat has ever done, their successful trip to and return from the moon captured the imagination of men and women almost everywhere. In the universal glow produced at least briefly by their success, many of the normal divisive barriers among men broke down. They were hailed in Moscow as well as in Washington, in Cairo as well as in Jerusalem, in New Delhi and Karachi, in East Berlin and West Berlin.

This background makes it particularly unfortunate that the formal celebration planned this week has such a narrow, nationalistic cast. In the words of the plaque they left on the moon, the astronauts "came in peace for all mankind." Yet their visit to the United Nations next Wednesday will be very brief, while the rest of that day will be devoted to an American celebration of an American achievement.

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PORTRAIT OF MARS

On that eventual day when the first men walk on the surface of Mars, they will find much "magnificent desolation" akin to that seen by Neil Armstrong and Edwin Aldrin when they strolled on the moon last month.

That virtual certainty emerges from the brilliantly successful exploration of the red planet just completed by Mariners 6 and 7. Their expedition lacked the human drama of Apollo 11, but the scientific information they returned may well qualify the two Mariners as the most scientifically productive enterprise men have yet carried out in space.

Generations of science fiction writers—from H. G. Wells and Edgar Rice Burroughs to Ray Bradbury—were mistaken, it turns

out, in their visions of human or nonhuman civilizations on Mars. On the contrary, Mars is a bleak, arid wasteland, a geologist's nightmare of twisted plains and innumerable craters whose typical landscape is almost indistinguishable from that of the moon.

True, Mars has a thin atmosphere—whose ground-level pressure is about that found twenty or thirty miles above the earth—but it is composed mainly of carbon dioxide, and could never support any complex life familiar here on earth. Worse yet, the Martian surface—or most of it anyway—is bathed daily in a deadly shower of ultraviolet radiation, and there is no equivalent of the life-saving protection provided by the atmosphere here. While Martian temperatures may get up to a comfortable 70 degrees or so at best, they descend at worst to hundreds of degrees below zero. For lovers of comfort, Mars is as uninviting as the moon, and well over a hundred times as far away.

The irrepressible optimists who refuse to believe that earth alone has life in this solar system did get something to cheer about from Mariner 7. Professors Pimentel and Herr believe they detected methane and ammonia in Mars' south polar region, and they suggest this may have a biological origin, i.e., there may be some primitive form of life in that part of Mars.

It is an exciting hypothesis worth further investigation, but for the moment the idea must be viewed as an extremely long shot. Methane and ammonia can arise from nonbiological processes. Moreover, there are serious contradictions between some of the Pimentel-Herr conclusions and those of other investigators using different data sent back by Mariner 7.

Whether the Pimentel-Herr hypothesis is right or wrong, the case is strong for further intensive study of Mars by unmanned satellites—as against a precipitate switch to the much more costly alternative of manned exploration. A race to put men on Mars would be a moondoggle for which there is neither need nor justification.

The fascinating close-approach photographs sent back by the two Mariners covered only 20 per cent of the planet, and they offered no explanation for the changing patterns of dark and light that telescopes have shown on Mars for centuries. Additionally, Mariner 7 has uncovered an intriguing mystery by demonstrating that the bright area called Hellas is decidedly atypical in not having craters. That revelation immediately raises the question of what processes have obliterated the craters that meteors must have created in Hellas too.

For the scientifically minded or even the merely curious, the rich harvest of the Mariners can only whet the appetite for more knowledge.

ADVANCE MANNED STRATEGIC AIRCRAFT

Mr. McGOVERN. Mr. President, the military procurement authorization bill, S. 2546, represents a significant increase for an advanced manned strategic aircraft.

In fiscal 1969 the approved program for this project was $25 million. It is proposed that we spend $100.2 million in fiscal 1970, for purposes outlined by Defense Secretaries Clifford and Laird in their respective posture statements.

Secretary Clifford raised the figure to $77 million, to "continue the competitive design phase initiated with fiscal year 1969 funds and to advance the development of the long leadtime avionics and propulsion systems."

Secretary Laird added another $23 million, to "shorten the competitive design phase and permit the start of full-scale engineering development in fiscal year 1970. While no decision on production and deployment must be made now, the accelerated research and development effort could advance the initial operational capability—IOC—of this aircraft by 1 year."

While we might take some small comfort from the fact that we can avoid a final decision this year on a system estimated to cost a minimum of $12 billion, it is nevertheless important to recognize that present plans call for the expenditure of at least $2 billion on research, development, test and evaluation alone—before any of these aircraft enter our strategic arsenal.

I might say at this point, Mr. President, that in talking about this new bomber, we are talking about a system the eventual cost of which could be as high as or higher than that of the Safeguard anti-ballistic-missile system about which we have just debated for some 5 or 6 weeks. Moreover, it is contemplated, according to a recent issue of Aviation Week & Space Technology:

> Under the new schedule, USAF will select by November 1 a single contractor for the final development and production of the AMSA.

We are clearly at the threshold of a major new expenditure. We should not be drawn into it little by little without having a clear idea of where we are going and why. I believe, therefore, that the time is at hand for a thorough examination of our entire strategic bomber program.

With the cosponsorship of the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), and the Senator from Wisconsin (Mr. PROXMIRE), who have been leading the effort to review our military outlays, I have proposed an amendment to the pending bill which aims to hold AMSA to the fiscal 1969 spending level; in other words, to avoid an acceleration of work on the system. It would leave $20 million in the pending authorization bill, to be combined with $5 million in carryover authority from fiscal 1969.

Mr. President, this would be the effect of reducing by $80 million the amount requested in the pending authorization bill for work on a new bomber.

In the meantime I hope we can initiate a more extensive review of the alleged need and justification for any strategic bomber force at all and for this elaborate new system in particular. I am especially interested in learning more about the administration's contentions in this regard.

For my own part, I must say that at the end of a substantial amount of study, including briefings from the Air Force officers in charge of the AMSA program, I have been unable to escape the conclusion that the many legs upon which the AMSA case rests, even in combination, cannot begin to support it. The case for retaining any kind of a bomber deterrent is almost as doubtful.

I will call up my amendment for active consideration shortly after the recess. In preparation for discussion at that time, and so that all of us can develop a clear understanding of the Administration's position, we have submitted to Defense Secretary Laird the following list of questions bearing on the strategic bomber program. Most of them have been discussed with Air Force officials in both classified and unclassified terms. I have asked that they be answered in writing for the public record, and that the response be supplied to me by the end of the recess.

I ask unanimous consent that the list of questions submitted to the Secretary of Defense be printed at this point in the RECORD.

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

I. THE NEED FOR A TRIPLE DETERRENT

A. We understand that strategic bombers are retained primarily because of the belief that we are best able to deter nuclear attack when we have three separate deterrent forces—bombers, intercontinental ballistic missiles, and submarine launched ballistic missiles—thereby insuring that we will be able to destroy an adversary after failure or neutralization of at least two of the three. What are the specific contingencies for which this policy has been developed, i.e.,

(1) Is it contemplated that the Safeguard antiballistic system in which the Administration has expressed such confidence will fail?

(2) Is it believed that the Soviet Union will devolop means of neutralizing our Polaris submarine fleet, recently described as "invulnerable" by its commander, Admiral Levering Smith?

(3) Is there substantial concern that the Soviet Union will be able to accomplish the degradation of both of these systems at the same point in time?

(4) Is it contemplated that these systems can be neutralized notwithstanding internal improvements which might be made in them, such as superhardening or MIRV warheads?

(5) If such counterforce weapons were developed, is it not possible that the Soviet Union would nevertheless be deterred by the possibility that our ICBMs and SLBMs could be launched on warning, and that we could cause such deterrence simply by leaving them uncertain as to what our policy is in this regard?

(6) Alternatively, is there any perceivable risk that the Soviet Union will develop a ballistic missile defense system capable of intercepting enough of our SLBMs and ICBMs to limit destruction to acceptable levels—including interception of improvements which might be made absent agreements, such as MIRV warheads or warheads which can be maneuvered in flight?

(7) If the Soviet Union were to find the economic and technical resources to develop and deploy such weapons, is it perceived that they would have such enormous confidence in them that they would be willing to launch a first-strike under any conditions, realizing that misplaced reliance could result in the total destruction of their society?

B. It is our understanding that in 1966 then Secretary of Defense McNamara prepared a study indicating that if it did become necessary to provide further insurance of our missile force, the cost-effectiveness of insuring with additional missiles would exceed the cost-effectiveness of insuring with B–52 bombers, up to the point where missile effectiveness fell to below 50 percent. The same study concluded that, against improved Soviet defenses, missile effectiveness would have to be lower than 30 percent before insurance with FBM–111/SRAM insurance would be more desirable than missiles. What is the current status of these relationships?

(1) Does not the cost-effectiveness of bombers as opposed to missiles drop still further in light of the potential development of MIRV warheads and in light of AMSA's higher cost?

(2) Is it not probable that a country capable of developing counterforce, or defensive systems with the ability to destroy or intercept high speed missiles with penetration aids could also develop the ability to counter much slower manned bombers which, on the ground, are also much softer targets?

(3) We have been told that maintenance of a bomber force requires the enemy to "mix" his defenses to divert to bomber defenses funds which otherwise might be employed for antimissile defense. In this connection,

(a) Does not the maintenance and improvement of bombers also require us to divert substantial amounts of funds which might otherwise be used to develop increased penetration ability for our missiles?

(b) Do not existing bombers, the B–52, the B–58 and the FB–111, possess among them the ability to penetrate any defensive system which AMSA could penetrate, albeit not for all targets in the Soviet Union? Does this not require that the Soviet Union, if it does aim for a first-strike capability, at least develop the technological competence to counter AMSA regardless of whether it is built? Does it not require that for substantial portions of the country such systems also be deployed if our deterrent is to be degraded?

(c) Will not the development of stand-off capability and penetration aids, including the Short Range Attack Missile and Subsonic Cruise Armed Decoy, further increase the capability of existing bombers to penetrate even the most sophisticated Soviet air defense?

(d) If there were no problem of strategic obsolescence, how long could existing strategic bombers be made to last through continuing modifications and restructuring?

II. SECONDARY CAPABILITIES OF BOMBERS

A. We are told that a "fall out" benefit of AMSA would be its utility in situations calling for conventional response. In this connection,

(1) Against unsophisticated defenses or no defenses, as has been the case with targets in South Vietnam, would not AMSA be overdesigned? Would it perform with significantly greater effect than the B–52?

(2) Against sophisticated air defenses, as is the case with targets in North Vietnam where the B–52 has not been used, would not even the AMSA be vulnerable to the point where its use for carrying conventional bombloads would not be worthwhile; i.e., is not whatever cost-effectiveness retained by bombers against surface-to-air missiles and high speed interceptors heavily dependent upon their carrying nuclear warheads with such great destructive power that high attrition rates are acceptable?

(3) In a conventional war situation, is it not likely that carrier or land-based tactical aircraft would be available to obviate the need for a larger force of long-range bombers? Is it not true that such aircraft would be much more useful in such roles because of their enhanced maneuverability and ability to penetrate defenses?

B. It has been claimed that bombers are desirable because of their "flexibility" primarily their ability to change targets in flight and to be recalled from attack. In this connection,

(1) Is it not true that ICBMs and SLBMs could be held well beyond the point in time where bombers could no longer be recalled because of penetration of Soviet air space, and that the missiles could then be fired and still beat bombers to their targets?

(2) Will not "real time targeting" through satellites give missiles the capability to change targets before launch and to reach most new targets before bombers could make similar changes?

(3) For "show of force" purposes to illustrate our determination in periods of tension, is not the President's ability to send thousands of megatons to Soviet targets within some thirty minutes just as meaningful as his ability to put bombers in the air?

III. COSTS AND STATUS OF THE AMSA PROGRAM

A. What are the current minimum and maximum estimates of the costs of developing and procuring the Advanced Manned Strategic Aircraft at the various force levels being considered?

B. What are the costs of maintaining a strategic bomber program over and above the costs of the aircraft—i.e., manpower, training, bases, operation and maintenance.

C. Is there a specific reason why it became necessary between Secretary Clifford's posture statement and that of Secretary Laird, to advance the Initial Operating Capability of AMSA by a full year, from 1978 to 1977?

D. What new steps in terms of contracts with industry are contemplated under the proposed program for fiscal 1970?

E. If Congress were to decide not to go forward with the planned program for fiscal 1970, what level of funding would preserve the option of moving ahead at a later date?

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

Mr. McGOVERN. I yield.

Mr. PROXMIRE. Mr. President, does the Senator's amendment provide for a reduction in funds for the various manned strategic aircraft to $20 million?

Mr. McGOVERN. The Senator is correct. It would hold it at the 1969 level.

Mr. PROXMIRE. So it would permit continued research, but would delete the funds available for the building of prototypes.

Mr. McGOVERN. The Senator is correct.

Mr. PROXMIRE. Mr. President, I was very concerned about the program.

It seemed to me that we should consider it with great care. As I understand, former President John F. Kennedy and Secretary McNamara seemed to feel some 7 or 8 years ago that the day of the manned bomber might be limited. They were reluctant to spend more money on the B–52.

Secretary McNamara was concerned about the B–70. They felt it might become obsolete and that anything it could do we could do much cheaper and in a more devastating way with the ICBM.

The aircraft would not be available for 6 or 7 years, at least. It would still be a manned bomber. It would cost $8 billion or $10 billion, and perhaps more. According to the present estimates, it will range between $8 and $10 billion.

So, to confine this to research, it seems to me, is very logical. Once we go ahead with the prototype, we are not actually in production, but are close to production. It is very hard at that point to hold back and say no.

The ultimate cost to the taxpayer would, as I have heard, be greater than that of the ABM on the basis of present plans.

Mr. McGOVERN. I do not think that any one of us really knows what the ABM would cost.

Mr. PROXMIRE. No. It would be in the neighborhood of $10 or $12 billion. This would cost more than that.

Mr. McGOVERN. This could very well reach or exceed that cost, according to the estimates I have seen.

I think that is one item the Senate will want to look at.

The Senator has found in so many cases where cost estimates proved to be unrealistic and where the actual costs were billions of dollars beyond what had been anticipated by the Department of Defense at the time those proposals were authorized by Congress.

I think we do want to look at the cost factor and also the question of whether we need another bomber.

If one would grant the argument that some kind of bomber capability is needed in our defense, then the question goes to the existence of several different bombers that we already have in operation and whether with modifications they could be kept operative, and the whole question of whether we even need a bomber capability at a time when we have both submarine and land-based missiles. It seems to me that all of those questions should be kept under review.

My amendment would not delete the research and development funds, but it would hold them to the level that they were in 1969.

Mr. PROXMIRE. Mr. President, the Senator from South Dakota is, I believe, well qualified to present the amendment. As I understand it, he is a former bomber pilot himself. No one can say that he does not appreciate or understand the great value that the planes have been in the past and may continue to be in the future. The Senator is in a position, in a sense, of having rare competence and experience in this field.

Mr. McGOVERN. Mr. President, I appreciate the Senator's generosity. However, the bomber that I flew was a pea-shooter when compared with this one.

I have been concerned in this field for a long time.

As I understand it, Secretary Laird is arguing that the additional $80 million would make this new bomber operable by 1977 as against 1978. I have not yet seen any convincing rationalization that that year's time would make all that much difference in terms of our defense posture.

I think a good argument can be made that every year we can delay passing judgment may be a prudent move for the Senate to take.

If we had gone ahead and built the B–70, which the Defense Department had been working for, it would have been obsolete and all of those billions of dollars would have been down the drain. I do not know how much money we have spent on this program. Perhaps the Senator would know.

I am pleading for a careful consideration before we go into the engineering and operational stages of the plane.

AMERICAN PRISONERS OF WAR IN NORTH VIETNAM

Mr. BYRD of Virginia. Mr. President, together with Americans everywhere, I rejoiced with the families of the three

servicemen freed from North Vietnamese captivity.

My happiness is clouded, however, when I recall that 1,365 other Americans are still being held by the North Vietnamese.

Ho Chi Minh is sometimes pictured as a kindly grandfather being put upon by the great might of the United States. This image certainly does not hold up when we consider the callous position taken by him and his government to our repeated requests for a prisoner exchange.

Americans may differ on policy toward our involvement in Vietnam, but all Americans are united in their desire to see real progress made toward identifying and exchanging prisoners of war.

I call upon Hanoi to prove they want peace by publishing a complete list of all prisoners, by immediately releasing the sick and wounded, by permitting the International Red Cross to inspect all prisoners, and by the prompt exchange of all prisoners in their custody.

Until these steps are taken, there can be no progress toward an honorable and lasting peace in Vietnam.

OUR APPROACH TO FOREIGN POLICY

Mr. BYRD of Virginia. Mr. President, Secretary of State Rogers has just returned from a 100,000-mile trip to Asia and throughout Asia. I call the attention of the Senate to an interview which was had with Secretary Rogers in Auckland, New Zealand.

The news dispatch from New Zealand quotes the Secretary as saying:

> I am convinced our general approach to foreign policy in taking a fairly low tone—but being perfectly frank and outspoken—is the way our foreign policy should be conducted in the future.

Mr. President, it seems to me that that is a very sensible statement made by the Secretary of State. It seems to me that it expresses our basic American viewpoint.

I am a little prejudiced in regard to Secretary of State Rogers, because I have known him a long time and I like him very much. I do believe that in the 7 months he has been Secretary of State, he has made a fine impression on the people of our Nation; and I think he is grasping well the many problems which he faces in that very important office.

So as he returns to our country, I am glad today to express, in the Senate, my high regard for Secretary of State Rogers.

OKLAHOMA'S CALL FOR A CONSTITUTIONAL CONVENTION INVALID

Mr. TYDINGS. Mr. President, last week, the attorney general of Oklahoma, in a written opinion for the Oklahoma Legislature, declared that Oklahoma's call for a constitutional convention had no continuing effect. Thus, according to its own legal criteria, Oklahoma's petition to Congress has been declared invalid.

This is a tremendous victory for those who would protect our Constitution from a frontal assault by the advocates for the return to the rotten-borough system of apportionment.

The distinguished Senator from Wisconsin (Mr. PROXMIRE) and myself, following the leadership of the former Senator from Illinois, Mr. Douglas, fought the Dirksen rotten borough amendment successfully in the 89th Congress. However, the fight still continues in some of the State legislatures.

Having failed to convince Congress to pass a constitutional amendment to reverse the Supreme Court's enforcement of the one-man, one-vote principle, these people desperately seek to retain their undemocratic apportionment by amendment through a constitutional convention. To this end, many State legislatures have quietly passed calls for a convention, before the import of such action was perceived by the rest of the country.

Fortunately these efforts have come to light, and many of these petitions calling for a constitutional convention are revealed as prima facie invalid because they are in improper form, because they are out of date, or, ironically, because they were passed by legislatures declared malapportioned by the Supreme Court.

Last week's action by the attorney general of Oklahoma adds to the long list of invalid petitions that have been submitted to Congress. Certainly before Congress will even consider whether under Federal standards their petitions are valid, they must be valid according to State legal standards. Of course, those State standards must be judged by the State itself, in other words, its judicial officers and its courts. As it stands now in Oklahoma, the petition to Congress is invalid. Naturally, the attorney general's opinion can be challenged in the Oklahoma courts, and we must await a final determination of that matter. In any case, until the Oklahoma courts find the call valid or until a new call is issued by the Oklahoma Legislature, Congress cannot begin to consider the validity of Oklahoma's petition.

I might add one more comment: Because of the profound consequences of any constitutional convention called to rewrite the Constitution or to amend it, because it is major legislation, and with the bill of the Senator from North Carolina (Mr. ERVIN) addressed to questions relating to this matter now pending, I intend to devote myself in some detail to the problem in an address which I shall deliver immediately after the August recess.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the opinion of the Oklahoma attorney general.

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

THE ATTORNEY GENERAL OF OKLAHOMA,
Oklahoma City, Okla., August 1, 1969.

Opinion No. 69–200.

Hon. FINIS W. SMITH,
President Pro Tempore, State Senate,
Tulsa, Okla.

DEAR SENATOR SMITH: This office has had under consideration your request for an opinion wherein you in effect ask the following question:

Does a concurrent resolution passed by a session of the Oklahoma Legislature but not sent to the Governor for signature have any binding effect on a subsequent session of the Legislature?

As the resolution of which you speak was not signed by the Governor, it did not become the law of this state. See *Ward* v. *State*, 176 Okl. 368, 56 P.2d 136 (1936), and *Board of County Commissioners of Marshall County* v. *Shaw*, 196 Okl. 66, 182 P.2d 507 (1947).

A concurrent resolution which does not have the effect of law, is merely an expression of the sentiment of the Legislative body passing the resolution. See *Hawks* v. *Bland*, 156 Okl. 48, 9 P.2d 720. Generally, a legislative body uses a resolution to express an opinion or purpose with respect to a matter that is temporary in nature. See *State ex rel. Jones* v. *Atterbury*, Mo. 300 S.W.2d 806.

It is the opinion of the Attorney General that a concurrent resolution passed by a session of the Oklahoma Legislature which does not meet the criteria of becoming law, is merely an expression of opinion of that particular body and has no binding effect on a subsequent session of the Legislature. This opinion is in conformance with Attorney General's opinion No. 64–153 dated February 21, 1964.

Sincerely,
DAVID L. RUSSELL,
Assistant Attorney General,
(For the Attorney General).

Approved in conference:
G. T. BLANKENSHIP,
Attorney General.

Mr. PROXMIRE. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the Senator from Maryland for having brought this matter to the attention of the Senate and the country. Frankly, I had missed that opinion; by the attorney general of Oklahoma, was it?

Mr. TYDINGS. That is correct.

Mr. PROXMIRE. This is a great victory, because my State of Wisconsin has been possibly on the verge of becoming the State that would have made it the——

Mr. TYDINGS. The 34th.

Mr. PROXMIRE. Yes. Some people would have said it would have made it necessary for Congress to call a national convention for the purpose of revising the U.S. Constitution.

This has concerned me very deeply, as well as the people of my State, because the Bill of Rights could be knocked out of the Constitution and anything else in the Constitution as well. It could be a runaway convention, according to some interpretations.

The purpose of calling the convention, as the Senator from Maryland has so well stated, is so that the one-man, one-vote interpretation by the Supreme Court which former Supreme Court Justice Warren has stated was, he thought, the greatest accomplishment of his Court, could invalidate that great accomplishment. So that what the Senator has called to our attention seems to have slowed, maybe stopped that, on the basis of the action of Oklahoma's top legal authority. It is of very great significance. I would hope that this would be the end of what could have been a serious danger to this Republic.

Mr. TYDINGS. I certainly hope it will

be the end although, knowing the proponents of the rotten borough system, and having great respect for their political ability and accomplishments, I would not be so sanguine as to say that this is the end of the fight.

THE WASHINGTON AREA TRANSPORTATION SYSTEM

Mr. TYDINGS. Mr. President, a major local news item in Washington for the past month has been the controversy over construction of Washington's transportation system.

I have a deep concern about that controversy. It has been my privilege to be long associated with a major portion of that system—the proposed subway-mass transit system for the Washington metropolitan area. I was principal Senate sponsor in 1966 of the legislation to create the interstate compact under which the mass transit system will be built. I was the principal sponsor of the bill the Senate passed this year to provide the Federal share of the system's financing. I have had the opportunity to both chair the hearings on these bills and to see to their passage on the Senate floor.

My interest derives as well from the fact that I am a Senator from Maryland. The fate of the Washington mass transit system is of urgent concern to the million Marylanders who live near the District of Columbia and the hundreds of thousands who daily come to work, shop, and seek services in the Capital City.

Events of the last several days and my own knowledge of them convince me that we are at last moving forward on the mass transit system. In fact, my own recent contact with all the principal officials involved, including the President of the United States, leads me to believe the subway will be started by year's end, just in the nick of time to save it.

Most of us are well familiar with the facts of the subway-freeway dispute. Briefly, the subway-transit system was conceived and approved by Congress as a part of a Washington, D.C., transportation plan which included a series of highways. However, after Congress approved initial funding for the subway, the District of Columbia City Council authorized most of the freeway plan but blocked construction of two of its parts.

Thereafter, Congress, in the 1968 Highway Act, mandated the construction of one of the two contested road segments and an 18-month study of the other. The House Appropriations Committee refused to approve further funds for the mass transit system until the new congressional mandate was complied with.

The impasse between Congress and the City Council over highways lasted nearly a year, with the subway held hostage.

Meanwhile, inflation relentlessly eroded the financial plans upon which the transit system is based. That plan, agreed to by referendum of the suburbs and acts of Congress, will be obsolete by the end of this year. With the lapse of the financial plan, the transit system itself will collapse, not to be revived for a decade or more.

Collapse of the mass transit plan would be an unparalleled disaster for the National Capital. During the years required to put the plan back together again, the pressures to build even more freeways would become intense. In view of the strong possibility that the subway will be permanently derailed by collapse of its financial plan, what Washington faces is not a question of highways versus subways, but rather the question of whether there will be a subway at all or only more highways.

It is worth noting that the subway system was never intended to replace needed highways, but rather to complement them in a balanced transportation program.

Nor could the subway replace highways in many parts of the Washington metropolitan area which the subway will either never reach, or at least will not reach within the next decade, under current plans.

I have reservations of my own about the contested highway projects. But the need for the subway is so urgent, and the number of additional roads eventually required if the subway is lost is so great, that I have devoted a substantial part of my time in the past three weeks attempting to help resolve this issue.

I view last Saturday's action by the City Council in reversing its opposition to the contested road sections to be a belated, but essential, act of political realism and responsible urban planning.

A year has been lost.

The cost of the subway has escalated to the peril point in the meantime.

But at last we appear on the verge of achieving a balanced subway-highway program for the Washington area.

It remains now not to "lose our cool" as the last steps are taken toward release of the subway funds. This is no time for loose lips or hot heads. My own contacts within the past 2 weeks with Congressman NATCHER, with the city government, with the Secretary of Transportation, and with the President and his staff, convince me that, if cool heads prevail, subway construction can begin by year's end. Law suits need not deter it if they are vigorously defended. Good faith on all sides can, I believe, assure subway construction and replace the suspicion and hostility which has imperiled Washington's transportation plan.

NEWSPAPER COMMENTS ON SENATE PROCEEDINGS

Mr. HOLLAND. Mr. President, for the information of the Senate I wish to place in the RECORD two clippings from the Washington Star of today with respect to what others are thinking about what is going on on the floor of the Senate.

The first article is entitled "Senate Joins Campus Revolt on Arms Research," written by Mary McGrory. 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:

SENATE JOINS CAMPUS REVOLT ON ARMS RESEARCH

(By Mary McGrory)

In the most startling development of the current debate on defense appropriations, the Senate came down on the side of rebellious college youth. It agreed, by a vote of 49–44, that military research is an intruder on university campuses.

Hardly a kind word about students had been heard on Capitol Hill lately. No one has ever accused the Senate of being pro-intellectual. But $45 million was cut out of the Pentagon's research budget and one of the successful arguments—by Sen. Philip A. Hart, Democrat of Michigan—was that "it offends and outrages" the young.

The amount of money involved was, by Pentagon standards, "peanuts," as the leader of the offensive, Chairman J. W. Fulbright of the Armed Services Committee, said. It was the idea that in a confrontation between the military and the young, the under 30-crowd would prevail.

In one line that should have guaranteed that the vote would go the other way, Sen. Hart said, "You don't have to be a member of SDS to jump up and scream that your priorities are out of whack."

The Senate these days is like Harvard in the spring, full of rampaging young men demanding to be heard. Poor Chairman John Stennis of the Armed Services Committee is like a dean whose office has been seized.

He promises change. He told the Senate he had sent letters to the Pentagon suggesting a review of their scholarly activities.

But the senators are looking at the Pentagon the way the students do as a huge, hostile foreign power that wants to take over the country. It has millions of subjects in mufti. It would have $80 billion to spend if it has its way.

It has its own propaganda mills, its own publishing companies and its own "think tanks," which come up with ideas like putting a moat around Saigon, and a lake in the middle of Latin America.

Stennis is doing the best he can to defend it. He is at least making no new enemies for the military establishment. He is immensely popular in the Senate, the soul of civility, geniality and straight-forwardness.

He could have expected to win a minor encounter with his fellow Southerner and chief goad, Fulbright, who is querulous and patronizing with his opponents.

In adversity, Stennis as always is courtly. "I thank the senator for his fine generosity," he beamed at Fulbright, just before the new axe fell.

Stennis begs the Senate to remember that he did not make the commitments which the military needs money to secure. But that is part of the trouble. Fulbright suspects the Department of Defense of usurping foreign policy.

And he and his allies are engaged in a fight not only to rearrange priorities but to restore to each department of government its proper function. Only the Senate, he thinks, can put the Pentagon in its place.

Fulbright, in a scathing aside, mentioned a Pentagon study of French foreign policy. "This study," he said "I would think would take place in the Department of State, unless the Department of State has gone so far it is nothing but a small bureau in the Department of Defense."

The mania for change that has swept the campuses has spread to Capitol Hill. It will probably be stopped short and reversed when the House faces the Department of Defense. In the meantime, the students will have to say the Senate, at least, has been listening to them.

Mr. HOLLAND. Mr. President, the second article has to do with our unfortunate vacation period which we just voted for yesterday. The article is entitled "Oldsters Bow to Family Cries, Congress Goes on Vacation."

For the purpose of emphasis I shall read the last four paragraphs of the article:

With the calendar year almost two-thirds gone, the workload of Congress for 1969 still lies ahead.

A landmark tax reform bill has passed the House but not the Senate. So has a bill extending the elementary and secondary education program.

The official "status of major bills" lists just two laws enacted. One increased the national debt limit; the other continued the income tax surcharge first imposed last year.

None of the dozen or so annual appropriation bills for the fiscal year that started July 1 has been enacted.

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

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

[From the Washington Evening Star, Aug. 13, 1969]

OLDSTERS BOW TO FAMILY CRIES, CONGRESS GOES ON VACATION

Congress takes off today on its first planned summer vacation in modern history, a concession to its younger members and an admission that it will be in session the rest of the year after it returns Sept. 3.

Only a corporal's guard was available for formal adjournment after today's no-business meeting of the House and the Senate. Many members got an early start on foreign junkets and others were headed for Los Angeles and a testimonial banquet for the Apollo 11 astronauts.

Some of the younger members with children who must return to school in September were packed up for beaches and other vacation spots.

It was the insistence of the young fathers that spurred the older leaders of Congress early this year to fix a schedule that would allow for planned family vacations.

In past years, vacation planning was a hit-and-miss proposition. There always was the hope that there would be an early summer adjournment, but it was a hope seldom realized.

A group of Senators mostly old veterans, put up a protest when the Senate voted yesterday on the recess, okayed Monday by the House, but it was approved 76–14. Sen. Winston L. Prouty, R-Vt., in a speech he had prepared but did not deliver, said the recess should be postponed at least until work is finished on the military authorization bill still before the Senate.

There have been four previous prolonged holidays this year, over Lincoln's birthday, Easter, Memorial Day and Independence Day.

With the calendar year almost two-thirds gone, the workload of Congress for 1969 still lies ahead.

A landmark tax reform bill has passed the House but not the Senate. So has a bill extending the elementary and secondary program.

The official "status of major bills" lists just two laws enacted. One increased the national debt limit; the other continued the income tax surcharge first imposed last year.

None of the dozen or so annual appropriation bills for the fiscal year that started July 1 has been enacted.

THE FEDERALLY IMPACTED AREAS PROGRAM IN IDAHO

Mr. CHURCH. Mr. President, recently the House of Representatives concluded its consideration of appropriations for the Departments of Labor, Health, Education, and Welfare and related agencies. The House bill was a victory for forces within the Congress striving for a more realistic set of national priorities. The legislation added nearly $1 billion to the proposed education budget and increased Federal education funding $629 million over last year.

Of particular interest to many of the people of Idaho was the decision made in regard to school aid for federally impacted areas. During the last fiscal year, $506 million was disbursed through this program. But for this year President Nixon requested only $187 million—a wholly inadequate level of funding and one that would have the most severe consequences in my own State of Idaho, which received $2,664,619 under the program in 1968. With two-thirds of the land in Idaho owned by the Federal Government, many of our public schools depend upon this source of revenue to maintain adequate educational standards.

I applaud the action of the House of Representatives, not only in restoring the recommended cuts, but also in adding an additional $79,100,000 for a total appropriation of $585 million for the impacted areas program.

I will support the action of the House when this legislation reaches the Senate floor. Education is not a program which can be set on the backburner for a few years and then rekindled again. Young people cannot wait.

Mr. President, earlier this year I contacted school officials in Idaho and informed them of the huge cuts which the Nixon administration had proposed in the impacted areas appropriation and asked for their reactions to the cuts. Without exception, they support the highest level of funding, and many of them explained the exact use made of the funds and why they were essential to their school's operation.

Their replies are instructive, underlining the importance of our funding this program in an adequate manner. Accordingly, I ask unanimous consent to have selected, Representative letters printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JOINT SCHOOL DISTRICT NO. 93,
BOONEVILLE COUNTY,
Idaho Falls, Idaho, March 20, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: We are very concerned over the imminent cutback of P.L. 874 and 815 funds. Our District enrollment has increased from 1,650 students in the 1957–1958 school year to 4,300 students for the 1968–1969 year, primarily due to the installation of the Atomic Energy Commission and supporting services in this area. This represents approximately an 8% per year average enrollment increase compared to approximately 2% on a State-wide basis. We are also a district with low evaluation compared with other industrial areas.

From the incidence of Public Law 874 and 815 programs, we have been continually qualifying for building funds because of the influx of federally-connected students. Without the additional support of the P.L. 874 allotment the educational opportunities for our students would have been increasingly inferior to any other District in the State of Idaho.

This District has always made a maximum effort to support their schools and is carrying three unretired bond issues. In addition, we are attempting to further finance the construction of desperately needed classrooms through a Plant Facilities Levy fund, which has been the means of supplementing Public Law 815 building monies.

It has been necessary to place our first grade classes on half-day sessions for the past five years, thus freeing rooms for the older students. We were also faced with the necessity of scheduling grades 7–12 on double sessions for the 1969–1970 school year. However, the recent P.L. 815 grant has made it possible for us to avoid this situation for another year by making a shift in grade organization. If the present influx of students continues, lack of funds may make it necessary to again consider secondary double sessions as well as first grade.

While we probably will not qualify for P.L. 815 funds another year, a fifty percent cutback in P.L. 874 funds will seriously affect the financial status of this District.

We sincerely appreciate your interest in our Idaho schools and wish you success in your attempt to retain these two programs. If we can be of further assistance please contact us.

Sincerely yours,

CHARLES L. CLARK,
Superintendent of Schools.

JOINT SCHOOL DISTRICT 192,
Glenns Ferry, Idaho, March 18, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR MR. CHURCH: One half depletion of 874 Funds would mean a loss of $13,000 to us.

At the present time, 78% of our school budget is allocated for teachers' salaries.

The loss of this money would necessitate the elimination of 1½ teachers from our present staff in order to balance the budget.

Since 874 Funds have been integrated in the total operation of our system, any loss of revenue should be anticipated in February before the budget is made out. I would prefer this loss to come in a year when the state legislature is giving money at the state level.

We strongly urge you to do everything in your power to retain these funds, and we are assured you realize what a 50% cut would do to the schools in our state.

You have our whole-hearted support in your endeavor. Do not hesitate to call on us for any assistance we may be able to give you.

Sincerely,

GEORGE POWELL,
Superintendent.

MEADOWS VALLEY SCHOOLS, DISTRICT 11,
New Meadows, Idaho, March 18, 1969.

Hon. FRANK CHURCH,
U.S. Senator from Idaho,
Washington, D.C.

DEAR SENATOR: We are very concerned over the Budget Bureau recommendation that P.L. 874, which provides for the supplementing of local school district revenues to help pay for the education of children whose parents either work or live on Federally operated lands or installation, be cut 50%.

We are a small district serving approximately 250 students. We are attempting to offer quality education to our students. If P.L. 874 were to be cut 50% we would have to curtail our curriculum drastically. The money our district would lose would pay for 2 certified teachers, 1 teacher's aid, and 1 secretary and teacher's aid. As you can see, the damage to our district would be overwhelming.

We are but one of over 50 districts in our state who would suffer if this *is not* funded as in the past. I, therefore, urge you to do all in your power to block any attempts to cut P.L. 874 funds.

Sincerely,

CLIFTON G. WINDISCH,
Superintendent of Schools.

CANYON SCHOOL DISTRICT NO. 139,
Caldwell, Idaho, March 18, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: I am writing this letter to attest to the importance of PL874 and 815 Federal Funds.

I spent some time as Superintendent of the Salmon School District at Salmon, Idaho, and can definitely state without reservation that it would have been impossible to have operated the school without funds from the above mentioned sources.

I urge you and the other Senators, as well as the House of Representatives, to take a long hard look, before there is any cut-back in these two programs.

There are many other School Districts in Idaho who are more dependent upon the funds than the one at Salmon that was mentioned above.

I want to thank you for any consideration that you might give in regards to the full funding of these two laws.

Best regards,
EARL WILLIAMS, *Superintendent.*

MACKEY PUBLIC SCHOOLS,
JOINT DISTRICT NO. 182,
Mackay, Idaho, March 17, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: Public Law 874 has brought us in around $270.00 per child for people living or working on Federal property and having children in attendance at our school. This Federal money has been of high importance to us because it helps to defray the cost of operating the schools. We are a poor district, having around 90% of the district owned by the Federal Government. We do not have many sources for income and depend on this additional Federal money to help operate the schools. If we lose 50% of this money we will have to cut our educational program. If we continue to have cuts then the money that we receive from the State of Idaho on the foundation program for for next year will put us just about where we were to start with.

We sincerely appreciate all your efforts on our behalf.

Sincerely yours,
NOLAN SAYER,
Superintendent.

BOISE PUBLIC SCHOOLS,
Boise, Idaho, March 19, 1969.

Senator FRANK CHURCH,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Your letter addressed to "School Official" has reached my desk for consideration.

Of all the federal education programs in which the Boise School District participates we are certain that P.L. 874 and 815 does the most good for the most pupils and without publicity and unnecessary fuss by the Federal and State administrators. As you probably know that there is a great deal of "over administration" by those in authority of the ESEA (P.L. 89-10) programs which has in many cases hindered the operation—this is not true in the administration of P.L. 874 and 815.

Operating a school in a Capital city draws a good many federal employees whose children qualify for 874. For example, the recent opening of the new Federal Building on Fort Street, located on federal lands, took many employees out of "tax paying offices" and placed them in the new federal building. Some of the "tax paying offices" formerly occupied by federal employees are vacant as a result of the move. Without 874 monies there is no way to compensate for the loss of taxes on this multi-million dollar structure. It should also be mentioned that Boise School District educate many children of families who work on federal properties located in Mountain Home.

Over the past ten years the Boise School District has received on an average of $132,625.00 from 874 monies. This amount does not include the $902,664.00 from P.L. 815 used to help build West and Fairmont Junior High Schools. Most of the federal impact at the time fairmont was constructed resulted from the activity at Mountain Home Air Force and the Missile Bases. The recent increased activity at Mountain Home Air Force Base is again impacting our area. To cut back fifty percent in the 874 program would for next year amount to two additional mills in our budget. Boise District at the present time is levying 15 mills over the recommended 30 mills,—we are now above the breaking point.

Without reservation we urge you to do all that is possible to salvage the P.L. 874 and 815 and in addition encourage greater federal financial participation in these two programs.

Again I wish to express to you and your staff my appreciation for the courtesies extended to Mrs. Beary and me during our recent visit to Washington, D.C.

With continued good wishes, I am
Sincerely,
D. H. BEARY.

SCHOOL DISTRICT NO. 42,
WESTERN BENEWAH COUNTY,
Plummer, Idaho, March 17, 1969.

Senator FRANK CHURCH,
Committee on Interior and Insular Affairs,
Washington, D.C.

DEAR SENATOR CHURCH: P.L. 874 and 815 funds for Idaho are a must for Idaho, due to the states low assessment. This low assessment is caused from a high percentage of Federal Lands, Western Benewah is a prime example.

Eighty-five percent of Western Benewah is non-taxable and increasing each year because of the Coeur d' Alene Tribe buying more taxable land each year.

Last year it was two grain elevators and one farm. This year it looks like four farms, two of which are quite large.

We are bonded to capacity and are on tax anticipation notes. Quality education cannot be given to our students at the present budget, so what are we going to do if P.L. 874 is going to be cut in half.

I would like very much to see all profit making lands taxed, then P.L. 874 and 815 would not be needed.

It is not fair to have some states with less than 15% Federal Lands and other states with 55% Federal.

These laws only help Federally Impacted Areas and act as an equalization factor and at present are not sufficient. I believe Idaho can show by statistics that she is not offering an education program that is in competition with our neighboring schools.

Sincerely yours,
THOMAS HITCHCOCK,
Superintendent.

WORLEY PUBLIC SCHOOLS, CLASS B
SCHOOL DISTRICT NO. 275,
Worley, Idaho, March 17, 1969.

Hon. FRANK CHURCH,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR: This is in reply to your letter concerning P.L. 874 and 815.

Nearly all of the land in the Worley School District is on the Coeur d'Alene Indian Reservation. About 50% of the land in the district is Federally owned. If it were not for this our evaluation would be practically doubled. Consequently it is very important to the well-being of the district that we receive P.L. 874 funds. Without these funds we would not be able to offer a satisfactory program.

At present we do not need 815 funds. However (noting the above paragraph), they would be vitally necessary in any future building program.

Thank you for the opportunity to present this.

Yours truly,
LEO RIEMAN,
Superintendent.

SCHOOL DISTRICT NUMBER 401,
TETON COUNTY SCHOOLS,
Tetonia, Idaho, March 18, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: School District #401 has had a large increase in enrollment due to the increased number of people with federally connected employment in this area. P.L. 874 has enabled us to continue operating without any serious cutbacks in our program.

We are opposed to any reduction in P.L. 874 funds.

Sincerely,
DEAN WADE, *Chairman.*
ORSON L. BOWLER,
Superintendent.

SALMON PUBLIC SCHOOLS,
DISTRICT NO. 291,
Salmon, Idaho, March 21, 1969.

Hon. FRANK CHURCH,
U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR: I wholeheartedly support your efforts on behalf of school districts in Idaho in relation to Public Law 874 funds. Our school district is surrounded by federal lands. 96% of the lands located in our district are federal, leaving only 4% of privately owned lands to carry the tax burden. The money we receive from Public Law 874 makes it possible to hire additional teachers needed to educate the children of the parents employed on federal lands. A reduction in Public Law 874 would result in a cutback of teaching personnel, thus increasing the class load to a point of inefficiency, resulting in a poor quality of education for all children.

Again let me assure you of our continued support in maintaining these funds at least a present level of federal support, and encourage you to work for an increased appropriation for Public Law 874 funds.

Sincerely,
ROBERT M. BANKS,
Superintendent.

MALAD CITY SCHOOLS,
CLASS A. DISTRICT NO. 351,
Malad City, Idaho, March 19, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: I appreciate your concern over Public Law 874 funds.

This past year we received $7,179.00 from this program.

While this is not a large sum of money, we would indeed miss it if we were to have it reduced or eliminated.

Inasmuch as 874 funds are placed in the general M&O budget it would be difficult indeed to give a detailed account as to the actual specific use of this money, as it may be reflected in many areas.

However, if this program were reduced it could affect our libraries, classroom supplies and equipment, the maintenance or improvements of facilities, a reduction in staff, or other areas that would reduce and impair the educational program that is now offered our students.

We need more money to improve our program, not a reduction to impair the quality that we have.

I sincerely hope that Public Law 874 is not reduced.

Thank you for your interest in our schools.

Respectfully yours,

LLOYD L. SORENSEN,
Superintendent.

JOINT SCHOOL DISTRICT NO. 241,
IDAHO AND ADAMS COUNTIES,
Grangeville, Idaho, March 20, 1969.

Hon. FRANK CHURCH,
U.S. Senator,
Washington, D.C.

DEAR SENATOR CHURCH: Thanks for your note about PL 874 and 815 funds and your concern about the future of them.

While our district is not large as far as population goes it is large in area. It contains over 8,000 square miles with its western border as the state line of Oregon and the eastern border the state line of Montana. As you can see by a map of the U.S. Forest lands most of it belongs to the Federal Government.

If we didn't get our PL 874 funds I don't know just what we would do. We use PL 874 money for current operating expenses and even now our salaries are so low that we are under professional sanctions. We need PL 874 funds to maintain our meager staff which accounts for over 70% of our budget. We need it for supplies, transportation equipment and maintenance.

The local taxpayers are paying the legal limit the Board of Education can levy now.

Sincerely,

EARL VOPAT,
District Superintendent.

ELEMENTARY SCHOOL DISTRICT NO. 73,
Horseshoe Bend, Idaho, March 20, 1969.

Hon. SENATOR F. CHURCH,
Washington, D.C.

DEAR MR. CHURCH: We are very grateful for this opportunity to comment on the value of the P.L. 874 and 815.

Horseshoe Bend is a small district—we have grades 1–8 and approximately 150 students. Being a mill town, we have quite a few transients and there are not too many property owners; resulting in a rather low budget for the school and the 50 some children we have to send to Emmett to Highschool.

Regardless the size of a district, one will find slow learners, handicapped and mentally retarded children. It is especially the small districts that have tremendous troubles with these children as generally there are no funds available at all to help these children. There are barely enough teachers to provide at least one teacher per grade (Whatever one may say: the fact is that a double grade only receives half time) We have used the P.L. 784 money to:

1 divide up a double grade into 2 separate grades.

2 hire a teacher-aid for three special cases out of our first grade.

It is our belief that all children—regardless where they live—have a right to proper education and in cases where insufficient funds are available—like in Idaho where so much land is untaxable—the school district should be refunded by that same federal government which occupies these lands.

We should like to take this opportunity to commend you for your tireless efforts made in behalf of Idaho and its young citizens.

Sincerely,

JOHN VERMEULEN,
Principal.

GARDEN VALLEY SCHOOLS,
Garden Valley, Idaho, April 28, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SIR: It has been brought to my attention that there is an economy move being aimed at the Public Law 874 Program. I want to go on record as opposing this move.

Garden Valley School District #71 is a tiny isolated district (current enrollment of 110 students, grades one through twelve), located in a small valley surrounded by mountainous forests that are owned almost entirely by the Bureau of Land Management and the U.S. Forest Service.

Approximately 80% of our district (971 sq. miles) is federally owned and is therefore tax exempt. Our local economy is based on logging and supporting U.S. Forest Service employees, with recreation playing an increasing role.

With so many of our people involved on tax exempt federal lands and direct federal employment plus a small local tax base we would be hard pressed to open our doors without P.L. 874 funds. I hope you will do your utmost to support the continuation of this fine federal program. "Don't economize with our children."

Sincerely,

JAMES E. FISHER,
Superintendent.

JOINT SCHOOL DISTRICT NO. 171,
Clearwater County, Idaho, April 22, 1969.

Mr. FRANK CHURCH,
Senator, State of Idaho,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Through the News Media we read and hear that Federal Programs for Public School assistance are being closely analyzed at the present time by the new Administration. I understand Public Law 874 is on the agenda to be closely scrutinized.

I realize that PL 874 has always been strongly supported and has received your blessings. We list following data for your information in support and continued fully funding PL 874.

As you know we are in the midst of an increasing enrollment due to the construction of the Dworshak Dam, and the reduction of this money would work a definite hardship on our maintenance and operation budget. Impact students have increased from 126 in 1963, until presently we have 537 pupils in this category. Ultimately our established figure will be 666 pupils in 1970.

You can easily understand the strain on our funds were PL 874 funds curtailed or reduced. We wish to enlist your continued support to maintain PL 874 funds to eligible districts at the present level. Thank you.

Yours truly,

MICHAEL L. CASSETTO,
District Superintendent.

INDEPENDENT SCHOOL DISTRICT NO. 1,
Nez Perce County, Lewiston, Idaho,
March 18, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR MR. CHURCH: The Directors of this school district hope you do everything in your power to see that P.L. 815 and 874 are totally funded. Although our district has never received funds under 815 we have been eligible, but through the efforts of you and Senator Jordan it appears the Army Corps of Engineers is going to make about $275,000 available to house the students whose parents are employed on the Dworshak Dam project.

The following is a tabulation of the six hundred fifteen students in our district whose parents work on properties that are owned by the federal government and thus do not produce property tax revenues to help with the burden of educating them. It might also be noted that this district will be impacted greatly by the Asotin Dam, the Lower Granite Dam, and levee and railroad location projects associated with both. It should also be noted that the impacted students represents 10% of our total student population.

Lewiston-Nez Perce County Airport	6
Dworshak Dam Site	221
Little Goose Dam Site	115
U.S. Armed Forces	49
Lewiston Orchards Irrigation District	33
Nez Perce Indian Reservation	73
Umatilla National Forest	6
Nez Perce National Forest	18
Clearwater National Forest	53
St. Joe National Forest	34
Cottonwood Job Corps	3
Wallowa-Whitman National Forest	2
Kaniksu National Forest	2
Total	615

Last year this produced about $72,000 for our district for expenditures under our general fund. While the facets of the ESEA Act of 1965 are good they can in no way be used to replace the above amount, as they must be used to supplant rather than supplement existing programs.

The money has been used almost exclusively to employ the additional teachers needed for the influx. Since about 60% of our budget comes from local sources it does not even do the job of furnishing the additional teachers, but without it we would be lost. It does give us ten teachers we otherwise could not afford. These are the ten that are critical, as they make it so our classes average about 30 per teacher. Some of them are more and some less, but if we lost the funds for the ten in question there would be over 30 students in every class and the ratio would be about 32 to 1.

Sincerely,

ANDREW L. SMITH,
Superintendent.

CLARK COUNTY PUBLIC SCHOOLS,
CLASS B SCHOOL DISTRICT NO. 161,
Dubois, Idaho, March 21, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: Our total acreage in Clark County School District is one million one hundred forty-two thousand three hundred fifty (1,142,350) acres. Of this total amount three hundred thousand one hundred seventy (300,170) acres is deeded or taxable land. Of the remaining amount practically all is either National Forest, B.L.M., or Sheep Experiment Station lands, all of which is taken off the tax rolls. We have approximately sixty children from these federal properties which we educate in our schools.

Should the Federal Government withdraw P.L. 874 money, this District would have serious financial problems. This is the one government program where the money can be put to the best use for the education of the children of the District. We are levying the maximum tax and just barely getting by. I trust you will be able to keep this program alive.

Very truly yours,

DAVID ROSS,
Superintendent of Schools.

SNAKE RIVER SCHOOLS, DISTRICT NO. 52,
Blackfoot, Idaho, March 20, 1969.

Hon. FRANK CHURCH,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: The Board of Trustees requested that I write you regarding your recent news release and letter indicating your concern over possible cutbacks in Public Law 874 and 815. The entire board feels that this program has been one of the finest school finance laws that the Congress has ever passed. The program has less federal controls and red tape than any other that we participate in. We feel strongly that it provides in lieu of taxes to our school district for activities conducted by the federal

government. If it weren't for these funds we would have to increase our class size considerably and reduce the effectiveness of our instructional program. Without these funds our school system would have a real difficult time to continue to operate at our present level. We receive only a small sum (about $38,000 per year) but this is a terrific assistance to a small rural school district, adjacent to the Atomic Energy Commission and the Fort Hall Indian Reservation.

May we express our appreciation to you for your efforts in maintaining this program. Feel free to contact us if you have any further questions or need for help.

Very truly yours,

R. LAVERNE MARCUM, ED. D.,
Superintendent.

JOINT SCHOOL DISTRICT NO. 305,
LEWIS, IDAHO, AND NEZ PERCE COUNTIES,
Craigmont, Idaho, April 1, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: The Trustees of Joint School District 305 at Craigmont, Idaho, join you in your annual battle to retain P.L. 874 and 815 funds.

To date we estimate receipts for 1969 fiscal year as $3,983.40 which isn't a staggering sum, but in lieu of the fact that we have had to phase out 3 teachers to even exist for next year, due to lack of and adequate appropriation on the state level, it is vital.

Frank, we want to commend you for your constant battles for the schools. You are constantly helping me and my districts. Two years ago you helped me get the National Guard Armory at Ashton and this unit serves as a vocational plant today. I want you to know how very much I appreciate you and your fine work and achievements.

Sincerely,

DON A. BLAKELEY,
Superintendent.

PLUMMER, IDAHO,
March 26, 1969.

Hon. SENATOR CHURCH,
U.S. Senate,
Washington, D.C.

DEAR MR. CHURCH: In answer to your question on benefits to Plummer School Dist. 42 through P.L. 874 and 815. I quote:

The law provided about 8% of our budget for 1967 and 1968. It provided enough money to hire two teachers of our 20 teachers on the staff.

This does not seem like a great factor at first glance, however School Dist. 42 is bonded to full maximum the law allows, and assesses the full 30 mills plus 3 mills special levy.

Loss of P.L. 874 and 815 will cause us to cut our classes to the minimum. We would have to ask for 12 mills more or a special levy to make up the difference. I do not think we could pass that additional burden on our taxpayers. Only 17 to 18% of our land is taxable due to the Reservation.

Thank you for asking for what help I can give. I hope this will help in your annual battle to retain P.L. 874 and 815.

Yours truly,

RALPH W. LAUPUT,
Trustee, School District 42.

MOSCOW SCHOOL DISTRICT NO. 281,
Moscow, Idaho, March 28, 1969.

Senator FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: I would urge you to make every effort to prevent cutbacks in the appropriations for P.L. 874 and 815.

Moscow School District No. 281 is in dire financial circumstances. Not only does our district have federal impaction, but even more severe "state impaction." Over forty-three per cent of the property in this district, based on real value, is not subject to property taxes. Some one-third of our pupils' parents are employed by the state.

Our proposed maintenance and operating budget for the 1969–70 school year will devote eighty-six per cent of the total expenditures to salaries. The professional salaries paid by the Moscow Schools are among the nation's lowest. The current starting salary for a teacher with a Bachelor's Degree is $5208. Currently the Moscow School District is levying the highest school millage in the state of Idaho. If a 17 mill levy election scheduled for April 8, 1969 fails, this district will literally be unable to operate.

We just cannot operate a satisfactory school system without adequate funding. May I again urge you to do all within your power to maintain P.L. 874–815 funding at its present level. This same appeal will apply to Title II (ESEA) and Title III of NDEA funding.

Thank you for your consideration.

Yours very truly,

CARL L. HARRIS,
Superintendent of Schools.

SCHOOL DISTRICT NO. 193,
Mountain Home, Idaho, March 27, 1969.

Hon. FRANK CHURCH,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR FRANK: We noted with concern your recent news release in regard to a possible cutback in PL 874 and 815 funds. As you know our school district depends for its very existance on 874 funds for maintenance and operation.

Out of a total of 3609 children enrolled in our school system 2501 are here because of the Mountain Home Air Force Base, 1410 live on the Air Base property and another 1091 live in Mountain Home, but their parents either are in the Air Force or work on the Air Base in civilian capacity.

In Idaho, the only way money can be raised at the local level is by property taxes. When two-thirds of the parents of the children enrolled in our schools do not furnish us any tax base, the only way that we can survive is thru the 874 monies that we receive.

Our budget for the 1968–1969 fiscal year is approximately $1,650,000.00. Our 874 funds received in this fiscal year is $575,000.00. The above listed statistics show that more than two-thirds of our children are Federally connected, but only one-third of our monies come from the Federal Government.

We feel that this is about all the effort that our local and state taxpayers should make and if further cutbacks are made in the 874 program it could result in turning over to the U.S. Government the responsibility for educating the Air Force children which we are certain would at least double the cost to the Federal Government.

Sincerely yours,

LEROY HUGHES,
Superintendent of Schools.

SCHOOL DISTRICT NO. 363,
Marsing, Idaho, March 26, 1969.

Hon. FRANK CHURCH,
U.S. Senate, Committee on Interior, and Insular Affairs, Washington, D.C.

DEAR SENATOR CHURCH: I am writing with regards to the funds we receive from P.L. 874.

Although the amount is not large, it is necessary to the operation of our school. Almost 10% of our enrollment comes from the Marsing Job Corps Center employees, and this necessitates hiring extra teachers in order to operate a satisfactory educational program. The amount that we receive is about enough to hire one extra teacher.

If the program was cut 50%, the amount would have to revert to the local tax payers, who are at present, taxing themselves above the state average.

I feel that the P.L. 874 is a good program and would recommend its continuance at the present level.

Sincerely,

HOWARD A. MAY,
Superintendent.

JOINT CUSTER-LEMKI SCHOOL DISTRICT NO. 181,
Challis, Idaho, March 25, 1969.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: We have computed our income from Public Law 874 and find that we received about $19,000.00 for the last year operation. This is about 7% of our total Maintenance and Operation budget. A 50% cut would affect us to the tune of 3½% of our operating budget. In todays rapidly inflating economy and particularly with Idaho teachers striving for significant salary increases it would have an adverse effect upon our operation.

Custer County is 94.6% federally owned with very littly possibility of any additional tax base to support local institutions. As a matter of fact the land base is retrogressing due to acquisitions by government agencies of several parcels of private land for as they put it "administrative purposes." As the Federal government plays a continuing larger part in the economic affairs of areas such as this, they should accept a larger part of the financial burden of supporting schools and related facilities.

It appears to me that the conflict may come from those in the government who would like to usurp most of the authority away from local school boards in matters of curriculum, standards, etc., under the guise of knowing what is better for us than we do. If we have to compromise this facet of local control to maintain federal monies, then from my personal point of view we will manage without the money.

We support you in your attempt to sustain Public Law 874 as it now is being applied. Please feel free to request any additional information we may be able to supply to support your argument.

Sincerely yours,

CLAYTON HURLESS,
Chairman.

RATHDRUM, IDAHO,
March 24, 1969.

Hon. FRANK CHURCH,
U.S. Senate, Washington, D.C.

SIR: In reply to your letter regarding Public Law 874 I most sincerely position you to fight to retain all appropriation possible.

Our school district, being Lakeland School District No. 272. Rathdrum, Idaho, encompasses a great many acres of public lands in the Kaniksu National Forest and in the Coeur d'Alene National Forest and our only recompense for these lands is in lieu of taxes through P.L. 874.

Our district receives approximately $5,400.00 per year from P.L. 874. This is not a tremendous amount of money but it does supplement an inadequate budget.

Very truly yours,

MRS. ARTHUR SCARCELLO,
School Trustee, School District No. 272.

JOINT SCHOOL DISTRICT NO. 252,
Ririe, Idaho, April 24, 1969.

Mr. FRANK CHURCH,
Member of U.S. Senate, Washington, D.C.

DEAR MR. CHURCH: We are fearful that the present drive for government economy may result in at least an attempt to reduce funds appropriated for the assistance of federally-impacted schools under P.L. 874. It is our hope that any cut in this project may be avoided.

We rely heavily upon funds derived from this source in our school district. We have a large number of students whose parents work

on government projects so that their employment and sometimes their homes also contribute nothing in the way of taxes toward the support of our schools. We really need the assistance given us under P.L. 874.

We urge that everything possible be done to maintain government support of this program.

Yours very truly,

FRED V. PORTER,
Superintendent.

JOINT SCHOOL DISTRICT NO. 251,
JEFFERSON AND MADISON COUNTIES,
Rigby, Idaho, March 25, 1969.

Hon. FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: We need more funds for education similar to those provided in P.L. 874. These funds can be used by Boards of Education, wherever they feel it would be in the best interest of the boys and girls in the school district, for the improvement of instruction.

Take all or part of these funds from a small school district, which is the situation with most districts in Idaho, and the funds are hard to replace. It means many things to us; $350 of salary for each teacher, or new textbooks for a certain subject, or renovating an old building to make it livable for another 25 or 30 years, or as I mentioned before improving instruction in the areas where it's needed most.

Two of the most accepted and acceptable programs emanating from the Federal source, is P.L. 874 and the school lunch program. These are the kinds of programs for education that I encourage.

Sincerely,

VIRGIL POWELL,
Superintendent.

MARCH 17, 1969.

DEAR SENATOR CHURCH: We appreciate your concern about federal funds for P.L. 874 as it pertains to our district. In a district such as ours which encompasses all of Oneida county we feel very strongly that the Federal government has some responsibility for funding the local schools because so much of the land of the county is federal land and thus displaces land which otherwise would have a local tax base.

In the past year we received $7,179 from P.L. 874, which in a small district such as ours is considerable help. Of course a 50% cutback would mean we would get half that.

We especially appreciate funds such as this which are not earmarked for specific use and thus can be used wherever the need is greatest.

Sincerely,

MYRON P. SORENSEN,
Chairman.

JOINT SCHOOL DISTRICT NO. 304,
Kamiah, Idaho, March 24, 1969.

From Paul P. Jackson, Superintendent.
To Hon. Frank Church.
Subject Benefits P.L. 874 and 815.

Due to P.L. 874 Funds, we've been able to offer Art (supplies and Room), and supplies and room for Small Motors and crafts. Without these funds these two projects would be curtailed or dropped. With a valuation of $3,940.00 per pupil in A.D.A. we sorely need these funds as local taxes would only operate schools for two months.

Sincerely,

PAUL P. JACKSON.

KENDRICK JOINT SCHOOL DISTRICT
NO. 283,
Kendrick, Idaho, March 24, 1969.

Senator FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Once again I am writing you about our P.L. 874 funds. It is true we only receive about $7,600.00 annually from 874, but without it we would be one teacher short in the classroom.

Without our 874 funds we could be in trouble money wise. Where do we get the money for the Federally impacted student? These students need an education also, but I feel the Districts involved should not be penalized.

Itemized accounting of funds:

1. One extra teacher.
2. Textbooks and Instructional material.
3. Vocational training.
4. Increased transportation cost.
5. Library books.
6. Some of the funds were used to help complete our New Vocational Shop Building.

The above comments are just some of the things done in our School System with P.L. 874 funds.

Sincerely,

JAMES V. MUSCAT,
Superintendent of Schools.

SWAN VALLEY SCHOOL DISTRICT NO. 92,
Irwin, Idaho, March 25, 1969.

FRANK CHURCH,
U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SIR: A 50% cut-back would wipe out teacher salary increases (and hence teachers), our two teacher's aides and involve our Federal people in worse controversy than they are in now. Presently it is felt that the Federal employed people do not pull their full weight. They comprise ⅓ of the school population but provide less than 18% of the funds.

Sincerely,

ROBERT SOUTHERN,
Head Instructor.

SCHOOL DISTRICT NO. 271,
Coeur D'Alene, Idaho, March 26, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: During the 1967–68 school year our district received $16,082 from P.L. 874. While this is a very small percentage of our budget it certainly does help a great deal when it comes to purchasing school supplies, hiring the extra teachers needed, or just paying the monthly bills.

When you figure the number of acres of Federal land in District 271 the amount we receive from P.L. 874 is just a fraction of what should be forthcoming when you consider that over 50% of the school district is government land.

We appreciate the help you have given in the past to keeping P.L. 874 in operation and urge that everything be done to hold to the present level or increase it.

Sincerely yours,

LLOYD E. E. DILTZ,
Chairman, Board of Trustees.

ST. ANTHONY, IDAHO,
March 25, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR FRIEND: I am writing in response to your letter regarding Public Law 874 as it pertains to our school district. Even though, I am no longer a member of the Board, having finished 9 years last summer, I am still concerned about financing of the schools.

P.L. 874 provided us in the past year about $21,000.00 or about $10.00 per child in our District. This may not seem much to some people, but it meant a great deal to us. We can expect an influx of people into this area on the Targhee Natl. Forest; also, the Idaho Stud Mill has already added 1 more shift and expects to be going 3–8 hour shifts as soon as possible. One of the Forest Service employees told me a week ago that they are shooting for sales of 100 million board feet of lumber per year on the Targhee Forest.

It would be very detrimental to our District to lose these funds from either P.L. 874 or 815. They have truly been a light in the wilderness for us in the past.

I, also, wanted to thank you for your support on securing the Ashton National Guard Armory for our School District. We have a 5 year lease on the building at $100.00 per month.

Best Wishes to you.

Sincerely,

ANTHONY GARDNER.

PRAIRIE PUBLIC SCHOOLS,
Cottonwood, Idaho, March 25, 1969.

Senator FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: There certainly would be no justification for reducing or eliminating P.L. 874 programs. As a specific instance in our case, District #242 educates approximately 55 students who are here because of Federal impact. If we were to lose our 874 money for next year—or any year that these students reside in this district we would have to release at least two or possibly three teachers in order to balance our budget. This would cause overcrowded classrooms resulting in an inefficient educational system.

Our thoughts are: That if the Federal Government owns the forest lands and other properties which cause pupils to be here with no tax base to support their education, P.L. 874 funds should be increased rather than decreased.

Sincerely yours,

A. J. MALCOLM, *Superintendent.*

BLACKFOOT SCHOOL DISTRICT NO. 55,
Blackfoot, Idaho, April 10, 1969.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: I just read your March News Release concerning the war on an attempt to cut impact aid for schools (P.L. 874 and P.L. 815). For your information, and you are well aware of this, School District No. 55 located on the borders of the Fort Hall Indian Reservation, has 465 square miles of property within the confines of the boundary of the school district. 376 square miles is reservation land which is non taxable. There are 400 students living on the Fort Hall Indian Reservation who attend school in District No. 55.

Our school district is not wealthy. The tax base is agriculture.

School District No. 55 is levying the maximum amount possible under the state statute for maintenance and operation of schools. It also levies 14 mills for bond indebtedness which is one-third of the total amount of direct tax dollars coming into the school district and is used to pay off bonds. With our low property tax base and with federal statutes not permitting taxation on Indian Reservation property, we would have to reduce our teaching staff 30 people. Our average class load is 27 pupils per classroom; you can see what this would do in overloading our classrooms.

We feel in our school district and in the state that if the federal government is going to hold federal properties in obeyance and not susceptible to property taxes they must also assume the responsibility of educating children where they are located on such properties.

We appreciate your feeling in reference to Public Laws 874 and 815 and I would hope the information in this letter will give you some ammunition to assist us in retaining the program. Our Board of Trustees view these two programs as in lieu of taxes and not as federal aid. The federal government, the state government and local governments have talked of partnerships in education.

When we have partnerships there are certain obligations accrued by all parties. We would expect each party to assume their obligation and take care of it. It is our hope the federal government, as the leading body of this nation, will not refuse to assume its obligation in this partnership. If there are any questions that we can assist with please let me know.

Thanks for your past services.

I. T. STODDARD,
Superintendent.

CASCADE PUBLIC SCHOOLS,
Cascade, Idaho, April 18, 1969.

Hon. FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: I am writing to again express my concern over the future of Public Law 874 and 815. Their extension seems to be again in jeopardy.

Your efforts have been largely responsible for our being able to enjoy the benefits of these laws in the last few years. Your efforts on our behalf again are requested.

We use only the P.L. 874 provision but it is a vital part of the income for this school district. Our fiscal year 69 entitlement is $18,428.00 which represents approximately eleven per cent of our current operating budget. This loss in our small school district (approximately 90% tax exempt because of federal ownership) could be a crippling blow.

Please do everything possible to continue these provisions and to see that they are funded at the level of entitlement.

Thank you for your past efforts on our behalf and best wishes in this endeavor again.

Sincerely,

JERRY L. EVANS,
Superintendent.

COUNCIL SCHOOL DISTRICT NO. 13,
Council, Idaho, April 18, 1969.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SIR: I should like to point out to you the importance of PL–874 to Idaho schools. As you know, this money is used for the maintenance and operation for schools in Idaho, a state which is ⅔ owned by the federal government and, therefore, ⅔ nontaxable.

As I see it, this is the only way we can derive revenue from lands owned by the United States. I refer to revenue for maintenance and operation, not capital outlay. I hope that you will see fit to support the continuance of PL–874. There is a great deal of federal money spent in places which may be cut rather than education. If you need assistance in finding those places to cut, fee free to call on me.

Sincerely,

MORT CURTIS,
Superintendent.

SHOSHONE PUBLIC SCHOOLS, JOINT SCHOOL DISTRICT NO. 312,
Shoshone, Idaho, March 17, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

SIR: This is to encourage and support your efforts to retain P.L. 874 funds at an adequate level. In my opinion, this legislation is among the fairest and least complicated of all federal programs. I would much prefer cuts in programs other than this, if cuts be necessary.

Although P.L. 874 funds received by the Shoshone School District do not represent a large percent of its maintenance and operation budget, they do provide a fair amount to support the federally connected students in our schools. In our case, these students are from families employed by the Bureau of Land Management. These people are an important and welcome segment of our community, but their mere presence indicates that our school district has much federal land which produces no taxes. We would likely be forced to employ one fewer teacher if P.L. 874 funds were discontinued.

Sincerely yours,

KENNETH D. CROTHERS,
Superintendent.

SCHOOL DISTRICT NO. 25,
BANNOCK COUNTY,
Pocatello, Idaho, April 28, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: It has come to the attention of participating school districts that Public Law 874 which reimburses schools for a concentration of federally-connected employees is under review by the Congress.

I believe that Public Law 874 is one of the finest aids to education that has been developed. The advantage of 874 is that after the survey and the need has been established, funds are remitted to the district to be spent under their regular fiscal controls. I would hope that future federal-aid programs would follow this same principle rather than the categorical aid programs that are now in existence.

I feel this program should be strongly supported. I would hate to see any reduction in the emphasis or in the funding. Would you please consider supporting 874 legislation.

Sincerely,

W. JAMES BRANVOLD,
Business Manager.

LAPWAI PUBLIC SCHOOLS,
Lapwai, Idaho, April 25, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: The school administrators in Idaho whose schools are eligible for 874 funds, are concerned about any attempt by Congress to lower or phase out this program. Public Law 874 has always been a very popular federal program and a terrific help to such school districts as Lapwai, with 50% of its student body living on trust lands which produce no taxes for our M & O budget.

The public schools in Idaho, because of the 30 mill ceiling on district taxes, are hard pressed to provide an adequate educational program. The federal assistance to our district from 874 makes it possible to provide a reasonable program of studies. However, if we were to lose these funds, or if they were funded at a lower level, it would be a catastrophy for us.

There are federal funds appropriated to the public schools under the various titles of E.S.E.A. that are peripheral, that could be reduced or phased out, that wouldn't strike at the heart of our elementary and secondary hard core program.

May I urge you to support P.L. 874 in its present form.

Sincerely,

GLENN SATCHWELL,
Superintendent.

SHELLEY PUBLIC SCHOOLS, JOINT SCHOOL DISTRICT NO. 60,
Shelley, Idaho, April 30, 1969.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: We would like to encourage you to give your full support to funding Public Law 874 at 100%.

We would have to cut back our educational program in some areas if Public Law 874 funds are decreased. Public Law 874 has helped our district more than any other federal school program. The part that we appreciate the most about Public Law 874 funds is that we, the school district, can use the funds where they will do the most good in the district.

Thanks for your support and interest in the schools of Idaho.

Sincerely,

DONALD J. HOBBS,
Superintendent.

POTLACH PUBLIC SCHOOLS, DISTRICT NO. 285, LATAH COUNTY,
Potlatch, Idaho, April 21, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR CHURCH: The Potlatch Schools receive Public Law 874 funds, although not in any vast amount, which helps to operate our school system. This school district has approximately 90 square miles of federal forest land included in 350 square miles of total area in our school district. This makes up more than 25% of our total area. Another 90 square miles must be State forest land, so about 50% of our total area produces no taxes to operate schools.

Naturally, many of our school patrons live here because of employment in the Federal Forest property and Public Law 874 enables us to collect some money for these people so employed. Many school districts in Idaho are in similar situations.

In my opinion, P.L. 874 is one of the most fair federal programs for aid to public schools. Rules for establishing eligibility seem fair and eligibility can be established without too much red-tape. I would gladly trade all of the Elementary and Secondary Education Act benefits for the continuation and improvement of P.L. 874 benefits.

Sincerely yours,

JAMES W. BIEKER,
Superintendent.

BOUNDARY COUNTY SCHOOL DISTRICT NO. 101,
Bonners Ferry, Idaho, April 22, 1969.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: We have received information that Public Law 874 is now on the agenda relative to funding for the next fiscal year and since Public Law 874 is vital to not only our school district but many school districts in the State of Idaho we are taking this opportunity to urge your continued support of this program.

The entitlement for Boundary County School District 101 for this fiscal year was $30,615.00. Approximately the same amount of Public Law 874 funds have been budgeted for the coming fiscal year. Not only would the loss of these funds seriously curtail our maintenance and operation budget for the coming year but would in the final analysis, mean that it would be necessary to cut back our costs this coming year in those areas that we can least afford; namely in the areas of text books, supplies and other teaching materials. Since the teaching staff has already been contracted for the coming year it is obvious that any cutback will have to be be made in other areas. It is also extremely unfortunate that our budgets have to be prepared prior to the time that Public Law 874 comes before Congress for consideration. When a district stands to lose five or six percent or even more of their operating budget this creates an intolerable situation as far as school districts are concerned.

Boundary County School District is composed of approximately 1,693,000 acres of which 458,000 are federally owned and 100,283 State owned. Thus approximately 66.7 percent of the acreage in Boundary County is non-revenue producing land. It seems inconceivable consideration is being given to further penalizing our district through withdrawing of additional Federal funds. In addition our district is levying 30 mills at the local level which is the maximum levy allowed by the State of Idaho. Thus it is readily apparent that this loss of funds

could not be made up by additional local levies.

Thank you for your interest in the school districts of the State of Idaho and we urge you to make every effort to see that Public Law 874 continues to be funded at its current level.

Sincerely,

RICHARD D. HAWORTH,
Superintendent of Schools.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 671. An act to compensate the Indians of California for the value of land erroneously used as an offset in a judgment against the United States obtained by said Indians.

H.R. 12720. An act to provide for the conveyance of certain real property of the District of Columbia to the Washington International School, Incorporated.

ADJOURNMENT UNTIL SEPTEMBER 3, 1969

Mr. BYRD of West Virginia. Mr. President, I move, in accordance with the provisions of House Concurrent Resolution 315, that the Senate stand in adjournment until Wednesday, September 3, 1969, at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 1 minute p.m.) the Senate adjourned until Wednesday, September 3, 1969, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate August 13, 1969:

U.S. CIRCUIT JUDGE

Henry L. Brooks, of Kentucky, to be U.S. circuit judge for the sixth circuit to fill a new position created by Public Law 90-347 which was approved June 18, 1968.

DIPLOMATIC AND FOREIGN SERVICE

Charles W. Adair, Jr., of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Robert M. Sayre, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

William E. Schaufele, Jr., of Ohio, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Upper Volta.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 13, 1969:

U.S. ATTORNEY

Douglas B. Baily, of Alaska, to be U.S. attorney for the district of Alaska for the term of four years.

AMBASSADORS

Taylor G. Belcher, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

Walter L. Rice, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

INTERNATIONAL MONETARY FUND, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, INTER-AMERICAN DEVELOPMENT BANK, AND ASIAN DEVELOPMENT BANK

Nathaniel Samuels, of New York, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years; U.S. Alternate Governor of the International Bank for Reconstruction and Development for a term of 5 years; U.S. Alternate Governor of the Inter-American Development Bank for a term of 5 years and until his successor has been appointed; and U.S. Alternate Governor of the Asian Development Bank.

IN THE ARMY

The following-named officers to be placed on the retired list, in grades indicated, under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Charles Hartwell Bonesteel III, [redacted] Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. Jean Evans Engler, [redacted] Army of the United States (major general, U.S. Army).

The following-named officers, under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grades as follows:

To be general

Lt. Gen. John Hersey Michaelis, [redacted] Army of the United States (major general, U.S. Army).

To be lieutenant general

Maj. Gen. Joseph Miller Heiser, Jr., [redacted] U.S. Army.

Maj. Gen. Charles William Eifler, [redacted] U.S. Army.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general, subject to qualification thereof as provided by law:

Robert P. Keller	Charles F. Widdecke
Alan J. Armstrong	Louis H. Wilson, Jr.
George C. Axtell	John N. McLaughlin
Foster C. La Hue	Robert R. Fairburn

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general:

Charles S. Robertson	Thomas H. Miller, Jr.
Duane L. Faw	Robert H. Barrow
Mauro J. Padalino	Herbert L. Beckington
Edward S. Fris	Leonard E. Fribourg
Frank C. Lang	Robert D. Bohn
Victor A. Armstrong	William F. Doehler

RENEGOTIATION BOARD

Rex M. Mattingly, of New Mexico, to be a member of the Renegotiation Board.

HOUSE OF REPRESENTATIVES—*Wednesday, August 13, 1969*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Now let Thy servant depart in peace.—Luke 2: 29.

O God and Father of us all, who dost reveal Thyself in all that is good and true and beautiful, make in our hearts a quiet place and come and dwell therein.

May the days ahead be a period of rest and relaxation for us and may we return ready in body and spirit for the tasks that lie ahead.

As we separate may Thy blessing be upon us to keep us healthy and strong, ever ready to serve our beloved country and always being about our Father's business.

God be in our heads and in our understanding;

God be in our eyes and in our looking;

God be in our mouths and in our speaking;

God be in our minds and in our thinking;

God be at our end—and at our departing.

In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on the following date the President approved and signed bills of the House of the following titles:

On August 7, 1969:

H.R. 2785. An act to authorize the Secretary of the Interior to convey to the State of Tennessee certain lands within Great Smoky Mountains National Park and certain lands comprising the Gatlinburg Spur of the Foothills Parkway, and for other purposes; and

H.R. 5833. An act to continue until the close of June 30, 1972, the existing suspension of duty on certain copying shoe lathes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 671. An act to compensate the Indians of California for the value of land erroneously used as an offset in a judgment against the United States obtained by said Indians;

H.R. 1707. An act for the relief of Miss Jalileh Farah Salameh El Ahwal;

H.R. 5107. An act for the relief of Miss Maria Mosio;

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

H.R. 12720. An act to provide for the conveyance of certain real property of the District of Columbia to the Washington International School, Incorporated; and

H. Con. Res. 315. Concurrent resolution providing for an adjournment of Congress from Wednesday, August 13, 1969, until 12 o'clock noon on Wednesday, September 3, 1969.

The message also announced that the Senate had passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4658. An act for the relief of Bernard L. Coulter.