By Mr. FULTON of Pennsylvania (for himself and Mr. PODELL):

H.J. Res. 900. Joint resolution to authorize the President to award appropriate medals honoring those astronauts whose particular efforts and contributions to the welfare of the Nation and of mankind have been exceptionally meritorious; to the Committee on Science and Astronautics.

By Mr. MOORHEAD (for himself, Mr. CORBETT, Mr. FULTON of Pennsylvania, and Mr. GAYDOS):

H.J. Res. 901. Joint resolution to authorize the President to designate the period beginning October 12, 1969 and ending October 18, 1969, as "National Industrial Hygiene Week"; to the Committee on the Judiciary.

By Mr. PURCELL:

H.J. Res. 902. Joint resolution providing for creation of a joint committee to study and make recommendations concerning establishment of a national college student congress; to the Committee on Rules.

H. Con. Res. 339. Concurrent resolution condemning the treatment of American prisoners of war by the Government of North Vietnam and urging the President to initiate appropriate action for the purpose of insuring that American prisoners are accorded humane treatment; to the Committee on Foreign Affairs.

By Mr. KUYKENDALL:

H. Res. 541. Resolution for investigation of credit card collection practices; to the Committee on Rules.

By Mr. PODELL (for himself, Mr. MURPHY of New York, Mr. OTTINGER, Mr. GILBERT, Mr. BIAGGI, Mr. FARBSTEIN, Mrs. CHISHOLM, Mr. GROVER, Mr. ROSENTHAL, Mr. SMITH of New York, Mr. DULSKI, Mr. LOWENSTEIN, Mr. BRASCO, Mr. POWELL, Mr. RYAN, Mr. REID of New York, Mr. HALPERN, Mr. KOCH, and Mr. WYDLER):

H. Res. 542. Resolution to establish a select committee of the House of Representatives to investigate the relocation of the Naval Applied Science Laboratory in Brooklyn, N.Y.; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

266. By the SPEAKER: A memorial of the House of Representatives of the State of Missouri, relative to the death of Senator Everett McKinley Dirksen; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BRADEMAS:

H.R. 13802. A bill for the relief of Giuseppe Romeo; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 13803. A bill for the relief of Grace Duggan; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 13804. A bill for the relief of Orlando F. Cudal; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 13805. A bill for the relief of David Z. Glassman; to the Committee on the Judiciary.

H.R. 13806. A bill for the relief of Irwin Katz; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 13807. A bill for the relief of Claude G. Hansen; to the Committee on the Judiciary.

By Mr. KING:

H.R. 13808. A bill for the relief of Mrs. Soon Hi Sue; to the Committee on the Judiciary.

By Mr. REES:

H.R. 13809: A bill for the relief of Passwood Enterprises; to the Committee on the Judiciary.

By Mr. ZION:

H.R. 13810. A bill for the relief of Lt. Col. Robert L. Poehlein; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

239. By the SPEAKER: Petition of the 1969 New Mexico Constitutional Convention, relative to restoration of funds for the completion of the Twin Ditch project in the San Jose area of Albuquerque; to the Commission on Appropriations.

240. By the SPEAKER: Petition of Richard A. McQuade, Rosemont, Pa., relative establishment of a military guard at Independence Hall; to the Committee on Armed Services.

241. By the SPEAKER: Petition of Henry Stoner, York, Pa., relative to the U.S. Marine Corps; to the Committee on Armed Services.

242. By the SPEAKER: Petition of Louis J. Costanza, Bayonne, N.J., relative to the war in Vietnam; to the Committee on Foreign Affairs.

243. By the SPEAKER: Petition of Richard A. McQuade, Rosemont, Pa., relative to establishment by the United States of a new nation in Africa for Americans of African descent; to the Committee on Foreign Affairs.

244. By the SPEAKER: Petition of the City Council, Elizabeth, N.J., relative to taxation of State and local government securities; to the Committee on Ways and Means.

245. By the SPEAKER: Petition of the Board of County Commissioners, Lake County, Ohio, relative to taxation of State and local government securities; to the Committee on Ways and Means.

SENATE—*Monday, September 15, 1969*

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

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

Eternal Father, who has brought us to this new day, help us to make our world a better world. Help us to make our Nation a better nation. Help us to be better men, and to place our talents of mind and heart and voice under the guidance of Thy spirit. Enable us to be good workmen who need not to be ashamed, rightly dividing the word of truth. When we are uncertain, help us to turn to Thee with confidence, to hear again the still, small voice saying, "This is the way, walk ye in it."

In Thy holy name we pray. Amen.

THE JOURNAL

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

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 statements in relation to the transaction of routine morning business be limited to 3 minutes.

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

ORDER FOR RECOGNITION OF SENATOR MURPHY

Mr. MANSFIELD. Mr. President, with the permission of the distinguished Senator from Mississippi (Mr. STENNIS), I ask unanimous consent that, at the conclusion of the morning business, the distinguished senior Senator from California (Mr. MURPHY) be recognized for not to exceed 30 minutes.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

VIETNAM

Mr. MONDALE. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial entitled "A Way Out of Vietnam," which was published in the Minneapolis Tribune of Sunday, September 14, 1969.

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

(See exhibit 1.)

Mr. MONDALE. Mr. President, I have not read other editorials or comments on the tragedy of Vietnam that, in my opinion, have as much insight as this editorial. The editorial points out the many occasions in the past when military leaders and others have predicted optimistically that we were about to win the war in Vietnam. The editorial refers to a prediction last fall by Admiral McCain who said the enemy had been defeated and that it would take another year or two to mop up the operation. Since Admiral McCain's declaration last November, 9,000 U.S. servicemen have died in the war.

The editorial observes the exceedingly disappointing lack of progress and, indeed, I think retrogression, on the part of South Vietnam to broaden the political base of South Vietnam's Government, the fact that they have refused to adopt a meaningful land reform program, and many other disappointing facts of which we are all aware.

Over the weekend Vice President Ky predicted that if there were any attempt to create a coalition government or to substantially modify the Government of South Vietnam, there would be a coup within 10 days and the military would resume control. Thus, the world is put on notice of the objective of many of the leaders of the Government of South Vietnam today.

The editorial points out the fantastic amount of corruption in that Government, referring to a Wall Street Journal article which cited the fact that the South Vietnamese chief of staff is seeking to be appointed Ambassador to Switzerland so he can be closer to his money. It did not refer to an earlier comment in the June 23 issue of Newsweek magazine that President Thieu's wife has been buying property in Switzerland.

Mr. President, the editorial concludes with this paragraph:

But until a firm decision is made to get out of Vietnam and until policies and planning are adjusted to that decision, America's involvement will go on and on and on . . . along with the casualty lists and the distortions of our economy and the war-caused tensions within our society. The time is past for tentative, half-way measures. The time is here for a real decision to end this war.

Mr. President, I hope and pray it will be made.

EXHIBIT 1

A WAY OUT OF VIETNAM

Eighteen months ago, President Nixon, then beginning his campaign in New Hampshire, pledged to end the war in Vietnam. Now, eight months after Mr. Nixon took office, the war and its casualties drag on. The end seems little more in sight than it did last fall, when Adm. John S. McCain, U.S. military chief for the Pacific, said flatly that the enemy had been licked, although another year or two might be required to mop things up. (McCain was one of the military chiefs who met with the President on Friday to advise him on Vietnam).

In recent weeks, optimism has grown in military circles and in some civilian quarters of government that the enemy is indeed growing weaker and our side stronger. Conclusions are again being reached that a military solution is possible. Ambassador Bunker reportedly told Mr. Nixon on Tuesday that the North Vietnamese have been badly beaten on the battlefield. He is said to have urged the President to hold off on negotiations, because the American and South Vietnamese military position is steadily improving.

Even if one grants that Bunker is at least partly right about U.S. and South Vietnamese strength, we believe the assessment must be considered in the context of the steady stream of optimistic statements by U.S. officials, including Bunker, over the years—and must be considered alongside the military potential of North Vietnam to carry on warfare indefinitely. For years, Americans have been told that we can now see a light at the end of the Vietnamese tunnel and all that is needed is an American determination to carry on a bit further. Since McCain's declaration of victory last November, 9,000 U.S. servicemen have died in the war. And in that same period, how much progress has been made in broadening the political base of South Vietnam's government, and how much progress has been made toward needed social and economic reform? Relatively little. Only last week, Vietnamese politicians seriously watered down a proposed land-reform program—even though such reform would be a vital and long overdue step toward building rural support for the Saigon government.

President Nixon has, we believe, concluded that the United States cannot win a military victory in Vietnam and should extricate itself from this war. He has taken a more conciliatory attitude toward the Viet Cong and North Vietnamese, he has made a token withdrawal of U.S. forces, and he has made such positive gestures as temporarily halting B52 flights last week. But the President has not found a way to carry out his pledge to end the war.

We believe there is a way to end the war—and this will require great courage on the President's part. This way is, we believe, to make a firm decision that the United States is going to get out of Vietnam in a responsible, but systematic and determined manner. This means a regular and ongoing withdrawal of U.S. troops geared to a terminal date for U.S. direct involvement in combat operations—say in 18 months. It does not mean a precipitous pullout.

More and more frequently, one hears from politicians, from career diplomats and even, at times, from men with access to the President that the United States must get out of Vietnam, if this country is going to tackle more important domestic problems. We are saddened, though, that such comments often are made in private rather than in public, where such opinions would help create a climate that might help offset military pressures to continue the war.

The United States has, we believe, fulfilled its obligations to South Vietnam and its original goals in being there. Other Southeast Asian countries have been given a decade to strengthen their own security, political structures and economic systems. The South Vietnamese have been given a chance to build their own nation and provide for their own security. A South Vietnam with a million men under arms and with modern American equipment ought to be able to defend itself—if its people have the will to do so. There was nothing in our original involvement that said the United States would do most of the fighting; indeed, President Kennedy said it was not our war to fight and President Johnson during his 1964 campaign said American boys should not be sent to fight an Asian war.

If the South Vietnamese—after 15 years and after an American economic and military involvement of more than $100 billion—can't carry their own burden, then the United States has no obligation to go on carrying it for them. And if the United States does begin to withdraw its troops on a systematic basis, then there will be a real light at the end of the Vietnam tunnel. Then, perhaps, the American military will begin to base its decisions and planning on how to get out of the war—and not on its continuation.

A withdrawal process must, of course, be designed to protect American men in Vietnam. It also must provide an opportunity for South Vietnamese who have thrown their lot in with us to find havens elsewhere, including the United States. Already, some of those Vietnamese who have grown fat on the war are finding or seeking such havens. This past week the Wall Street Journal noted that South Vietnam's chief of staff, who has been accused of corrupt practices, is "busily agitating" to become ambassador to Switzerland, "perhaps to be closer to his money banked there."

But until a firm decision is made to get out of Vietnam and until policies and planning are adjusted to that decision, America's involvement will go on and on and on . . . along with the casualty lists and the distortions of our economy and the war-caused tensions within our society. The time is past for tentative, half-way measures. The time is here for a real decision to end this war.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED AMENDMENT TO THE BUDGET, 1970, FOR THE DEPARTMENT OF THE INTERIOR (S. Doc. No. 91-33)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1970, in the amount of $8,380,000, for the Department of the Interior (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENTS TO THE BUDGET, 1970 (S. Doc. No. 91-34)

A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1970, in the amount of $4 million in budget authority, and $20 million in proposals not increasing budget authority, for the Department of Health, Education, and Welfare, Department of the Interior and Civil Service Commission (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT OF THE BUREAU OF THE BUDGET

A letter from the Director, Bureau of the Budget, transmitting, pursuant to law, a report on fiscal year 1970 outlay limitation through August 1969 (with an accompanying report); to the Committee on Appropriations.

REPORT OF LOAN TO THE NORTHWEST IOWA POWER COOPERATIVE, LE MARS, IOWA

A letter from the Administrator, Rural Electrification Administration, transmitting, pursuant to law, a report of the approval of a loan to the Northwest Iowa Power Cooperative of Le Mars, Iowa, for the financing of certain transmission facilities (with an accompanying report); to the Committee on Appropriations.

PROPOSED TRANSFER OF EX-COAST GUARD CUTTER "McLANE" TO THE MARINE NAVIGATION AND TRAINING ASSOCIATION, INC.

A letter from the Assistant Secretary of the Navy (Installations and Logistics) transmitting, pursuant to law, information on the proposed transfer of the ex-Coast Guard Cutter *McLane* (WMEC-146) to the Marine Navigation and Training Association, Inc., Chicago, Ill.; to the Committee on Armed Services.

REPORT OF U.S. COMMISSION ON CIVIL RIGHTS

A letter from the Chairman, U.S. Commission on Civil Rights, transmitting, pursuant to law, a report of the Commission on Federal Enforcement of School Desegregation (with an accompanying report); to the Committee on the Judiciary.

PROPOSED LEGISLATION PROHIBITING UNAUTHORIZED ENTRY INTO ANY BUILDING OR GROUNDS THEREOF WHERE THE PRESIDENT IS OR MAY BE TEMPORARILY RESIDING

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to prohibit unauthorized entry into any building or the grounds thereof where the President is or may be temporarily residing, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution adopted by the Court of Common Council of the city of Hartford, Conn., urging the restoration of the appropriation for 1970 under "The Library Services and Construction Act, Title I"; to the Committee on Appropriations.

A resolution adopted by the city council of the city of Elizabeth, N.J., remonstrating against any proposed changes in the present structure of the tax laws which would remove from exempt status holders of municipal bonds; to the Committee on Finance.

BILL INTRODUCED

A bill was introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HRUSKA (for himself and Mr. EASTLAND):

S. 2896. A bill to prohibit unauthorized entry into any building or the grounds thereof where the President is or may be temporarily residing, and for other purposes; to the Committee on the Judiciary.

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

S. 2896—INTRODUCTION OF A BILL TO PROHIBIT UNAUTHORIZED ENTRY INTO ANY BUILDING OR GROUNDS WHERE THE PRESIDENT IS TEMPORARILY RESIDING

Mr. HRUSKA. Mr. President, I send to the desk a bill which I introduce on behalf of the distinguished chairman of the Judiciary Committee, the Senator from Mississippi (Mr. EASTLAND), and myself, on behalf of the administration. The bill is designed to provide more effective control over unauthorized entry into the temporary residence of the President, and any buildings which are being temporarily used as executive office buildings.

When the President leaves Washington for official or recreational purposes, he always attracts quite a bit of public attention. The Secret Service must protect him, even though the demands of his office require constant exposure to the public and possible danger. When the President, his family, and staff have established a temporary residence away from Washington, the job of the Secret Service becomes all the more difficult.

At present, the Secret Service has no authority to restrict entry into an area where the President may be temporarily living. Disruptive conduct in and around such an area may create a very real danger to the President's well-being and disrupt the orderly conduct of official business. It is essential that the Secret Service have all the legal tools necessary to avoid any possibility of such a situation arising.

This bill is designed to achieve just this goal. Section 1 of the bill makes it a crime to engage in disruptive conduct in and around the temporary residence, and carries a penalty of up to 6 months in jail and up to a $500 fine. Section 2 of the bill makes it a crime to obstruct a Secret Service agent in the performance of his protective duties. This crime carries a penalty of up to 1 year in jail and not more than a $300 fine.

The bill which I introduce provides the additional and necessary legal authority for the Secret Service in order to enable it to establish and maintain a secured and ordered environment in which the President may continue to perform the functions of his office without impediment and free from obstruction.

Mr. President, I ask unanimous consent that the bill and the letter of transmittal be printed in the RECORD following my remarks.

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

The bill (S. 2896) to prohibit unauthorized entry into any building or the grounds thereof where the President is or may be temporarily residing, and for other purposes, introduced by Mr. HRUSKA (for himself and Mr. EASTLAND), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 2896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18, United States Code, is amended by adding the following new section after section 1751:

"§ 1752. Temporary residence of the President.

"(a) It shall be unlawful for any person or group of persons willfully and knowingly—

"(1) to enter or remain in any building or the grounds thereof where the President is or may be temporarily residing, or to enter or remain in any building or the grounds thereof in which temporary offices of the President or his staff are located, without proper authority or in violation of the regulations and orders governing admission thereto;

"(2) to utter loud, threatening or abusive language, or to engage in disorderly or disruptive conduct in or near any building or the grounds thereof enumerated in paragraph (1) with intent to impede, disrupt or disturb the orderly conduct of government business or official functions;

"(3) to obstruct or to impede ingress or egress to or from any building or the grounds thereof enumerated in paragraph (1) or to engage in any act of physical violence within such buildings or grounds.

"(b) Violation of this section, and attempts or conspiracies to commit such violations, shall be punishable by a fine not exceeding $500 or imprisonment not exceeding six months, or both.

"(c) Violation of this section, and attempts or conspiracies to commit such violations, shall be prosecuted by the United States Attorney in the Federal district court having jurisdiction of the place where the offense occurred.

"(d) The Secretary of the Treasury is authorized to prescribe regulations and orders governing admission to the buildings and grounds enumerated in this section.

"(e) None of the laws of the United States or of the several States and the District of Columbia shall be superseded by this section."

SEC. 2. Section 3056, title 18, United States Code, is amended by designating the present paragraph as "(a)" and adding a new paragraph at the end thereof as follows:

"(b) Whoever knowingly and willfully obstructs, resists, or interferes with an agent of the United States Secret Service engaged in the performance of the protective functions authorized by this section or by the Act of June 6, 1968 (82 Stat. 170) shall be fined not more than $300 or imprisoned not more than one year, or both."

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

THE SECRETARY OF THE TREASURY,
Washington.

HON. SPIRO T. AGNEW,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, "To prohibit unauthorized entry into any building or the grounds thereof where the President is or may be temporarily residing, and for other purposes."

The purpose of the proposed legislation is to control unauthorized entry into any building or the grounds thereof where the President may be temporarily residing or where Presidential offices are located and to prohibit disorderly or disruptive conduct in or near such buildings or offices which could impede the orderly conduct of government business or official functions. The draft bill would also prohibit knowing and willful obstruction or interference with agents of the United States Secret Service in the execution of their protective duties.

Wherever the President goes he attracts wide public attention and is the object of much public notice. When the Chief Executive of the United States leaves the capital city for any purpose he carries with him the awesome burdens of his office and must continue to perform his official duties. He is accompanied by a great many persons who have the responsibility of assisting him in discharging official government business. However, at the present time there exists no Federal statute which specifically authorizes the Secret Service to restrict areas where the President may be residing temporarily when he leaves the seat of government for official or recreational purposes.

The Department is of the opinion that the

enactment of the proposed legislation is necessary in order to guarantee the integrity and safety of the President and his property and to provide and maintain necessary safeguards for protecting the conduct of essential public business when the President is not in residence at the Executive Mansion. The enactment of the proposed legislation would remove the necessity for the Department to rely wholly upon the general laws of the United States and of the several States to insure the safety of the President when he is absent from the nation's capital.

The draft bill would provide the requisite legal authority for the Secret Service to establish and maintain a secure and ordered environment in which the President may continue to perform the functions of his office without impediment and free from annoyance by the idly curious and vocal minorities intent upon disrupting the orderly conduct of official functions and other public business essential to the welfare of the nation.

The language of the draft bill is adopted, to some degree, from the provisions of the recently amended laws protecting the Capitol buildings and grounds from disruption (40 U.S.C. 193a–193m). It is also designed to accomplish the same purposes as the statutes which protect against disruptions of the functions of the judicial branch (18 U.S.C. 1507; 40 U.S.C. 13a–13m).

It would be appreciated if you would lay the proposed legislation before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

Sincerely yours,

DAVID KENNEDY,
Secretary of the Treasury.

REMOVAL OF COSPONSOR FROM BILLS

Mr. KENNEDY. Mr. President, on behalf of the Senator from Oklahoma (Mr. HARRIS), I ask unanimous consent that at the next printing of S. 746 and S. 1812, his name be removed as a cosponsor.

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

ADDITIONAL COSPONSORS OF RESOLUTION

SENATE RESOLUTION 243

Mr. KENNEDY. Mr. President, I ask unanimous consent that, at the next printing, the names of the Senator from North Dakota (Mr. BURDICK), the Senator from Michigan (Mr. HART), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. TYDINGS), and the Senator from New Jersey (Mr. WILLIAMS) be added as cosponsors of Senate Resolution 243, to make it the sense of the Senate that the President request the United Nations to take steps as may be appropriate to bring about compliance by the Government of North Vietnam with the Geneva Convention of August 12, 1949, relative to treatment of prisoners of war.

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

NOTICE OF HEARINGS ON FEDERAL EMPLOYEE PAY LEGISLATION

Mr. McGEE. Mr. President, I wish to announce that public hearings on Federal employee pay legislation will begin before the full Committee on Post Office and Civil Service next Monday, September 22, 1969, at 10 a.m. in room 6202 of the New Senate Office Building. Persons wishing to testify on this subject may arrange to do so by contacting the committee, Mrs. Yee, at telephone 225–5451.

NOTICE OF HEARINGS ON PRACTICES OF THE FEDERAL TRADE COMMISSION

Mr. KENNEDY. Mr. President, the Judiciary Subcommittee on Administrative Practices and Procedures will continue its hearings into the practices of the Federal Trade Commission on Tuesday, September 16, 1969. The hearing will begin at 9:30 a.m. in room 3110 of the New Senate Office Building. Commissioner James M. Nicholson will testify before the subcommittee.

The hearing is part of a series to be based on a questionnaire sent out by the subcommittee last March which dealt with agency responsiveness to public needs.

THE HIGH COST OF DEFEAT IN VIETNAM: A STATEMENT BY FORMER PRIME MINISTER TRAN VAN HUONG

Mr. DODD. Mr. President, Mr. Richard Critchfield, who represented the Washington Star in Saigon for a number of years, was in his time recognized as one of the ablest American correspondents in Vietnam. He is the author of a recent book on Vietnam which he entitled "The Long Charade."

Recently Mr. Critchfield wrote to Prime Minister Tran Van Huong, posing two separate questions to him.

Mr. Critchfield's first question was:

What will defeat mean in terms of political and human realities if the South Vietnamese people are allowed by the US to go under?

The second question was:

What is the moral difference between the indiscriminate—sometimes—violence of the American and Allied forces and the VC?

Because I was greatly impressed by a quotation from Prime Minister Huong's letter which I saw in the Washington Star, I asked Mr. Critchfield if he could send me the complete text of the Prime Minister's replies to his questions. Mr. Critchfield was gracious enough to make this text available to me.

Mr. Huong, as Senators know, recently submitted his resignation as Prime Minister. There had been some differences of opinion over the reasons for his resignation. But I believe that all American observers are agreed that Mr. Huong is a man of exceptional intelligence and integrity and dedication, whose outlook was basically moderate and who enjoyed a genuine popularity with the masses of the Vietnamese people. For these reasons, I feel that his opinions deserve particular attention.

In reply to the question about the moral difference between Communist violence and allied violence, Prime Minister Huong said the following:

The Communist violence is both indiscriminate and discriminate. In both cases, it is *premeditated*. . . . Communist violence is *directed against the civilian population*. The Communists use violence as a means to achieve their end, which is to terrorize the population and to undermine its confidence in the legal authorities.

Allied violence is the unpremediated consequence of acts of war directed against enemy forces. . . . If the civilian population has been also hurt by Allied acts of war, it is because of the special character of the war waged by the communists against us. But the civilian population has never been a target of Allied violence. Every effort has been made to minimize the effects of the war on the civilian population, sometimes involving great risks for Allied troops.

In reply to the question about the consequences of an American defeat, Prime Minister Huong pointed out that the Communist regime had physically eliminated hundreds of thousands of political opponents in North Vietnam, while 1 million people, or one-tenth of the population, had fled to the South in order to escape the bloodshed. He implied that an even greater terror could be anticipated if the Communists ever take over in South Vietnam because the 1 million members of the South Vietnamese armed forces and the 700,000 civil servants, with their families, total some 5 million people. All of these, he said, would be subject to Communist reprisals "in spite of any guarantees that may be given on paper."

Prime Minister Huong also warned that an American defeat in South Vietnam would result in the loss of American credibility in Southeast Asia, in particular, and in the Afro-Asian world in general. And he warned further that such a defeat would produce "a crisis of confidence in the United States," and "a period of dangerous upheaval for the United States."

I believe that all Senators should read the remarkably cogent replies which Prime Minister Huong offered to Mr. Critchfield's questions. I therefore ask unanimous consent that the questions and answers be printed in the RECORD.

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

SAIGON, *June 26, 1969.*

MR. RICHARD CRITCHFIELD,
The Evening Star, The Sunday Star,
Washington, D.C.

DEAR MR. CRITCHFIELD: Thank you very much for your letter of April 1, 1969. I have to apologize to you for the long delay in answering it and hope that you will understand.

The days when I met you while you were covering the 1967 presidential elections are still vivid in my mind and I must thank you once again for recalling them.

I sincerely hope that the heretoattached answers will be satisfactory to you.

With my best personal regards,

Yours sincerely,

TRAN VAN HUONG,
Prime Minister, The Republic of Vietnam.

ANSWERS BY PRIME MINISTER TRAN VAN HUONG TO QUESTIONS BY RICHARD CRITCHFIELD

Question: What will defeat mean in terms of political and human realities if the South Vietnamese people are allowed by the U.S. to go under?

Answer: What defeat will mean for SVN?

A. POLITICAL

1. The people of SVN will not be able to exercise their right of self-determination.

2. Sooner or later (more likely sooner than later), SVN will be under communist rule

not by the people's choice, but by a Communist maneuver.

The communists may start as participants in a coalition government, then will take advantage of the unpreparedness of and absence of unity between the democratic parties to eliminate them one by one, as had been seen in NVN in 1946.

3. SVN will not remain separate for long. It will be reunited with NVN under the same communist regime that now rules NVN.

There could be a fake of agreement between the 2 zones, but in fact, reunification will not be done by a democratic process, it will be imposed on the SVN people.

B. HUMAN

The 1 million army and 700,000 civil service and their families (5 million people), and all those who have, one way or another opposed communist rule since 1945, will be subjected to reprisals, in spite of any guarantees that may be given them on paper.

Some may be eliminated physically, others may be jailed or sent to reeducation camps. At best, they will all be treated as second-class citizens.

It is to be recalled that in NVN, during the 1955–6 "land reform" campaign, hundreds of thousands of people were killed by the communists.

There will be a violent communist revolution in SVN with all its inhuman aspects: children taught to denounce their parents, orchestrated campaigns of denunciation of "collaborators", denunciation of "landlords", killing of "reactionaries" etc. . . .

In 1954, 1 million people, one-tenth of the population of NVN fled to South VN in order to escape the bloodshed.

What defeat will mean for the U.S.?

A. POLITICAL

Loss of credibility in S.E. Asia in particular and in the Afro Asia world in general.

This will bring about soon enough an end to American influence in S.E. Asia. Countries of this area will have to find some sort of accommodation with Red China.

Beginning of a process of retraction of America's influence and role in the world.

For the first time in its history, an American army will return home defeated.

B. HUMAN AND PSYCHOLOGICAL

With the retraction of America's role in the world and with the military defeat, there is bound to be a crisis of confidence in the U.S.

A period of dangerous upheavals in the U.S. is likely to follow the defeat of their arms in VN.

Question: What is the moral difference between the indiscriminate—sometimes—violence of the American and Allied forces and the VC?

Answer: A. The Communist violence is both indiscriminate and discriminate. In both cases, it is premeditated.

For instance: Indiscriminate rocket firings on populated areas; planting mines on roads; throwing grenades in the crowds; all indiscriminate acts of terrorism against selected targets (village chiefs, policemen, officers, etc.)

Communist violence is directed against the civilian population. The communists use violence as a means to achieve their end, which is to terrorize the population and to undermine its confidence in the legal authorities.

B. Allied violence is the unpremeditated consequence of acts of war directed against enemy forces.

For instance: B–52 bombing against VC troops; air bombing, artillery attacks against villages held by the enemy.

If the civilian population has been also hurt by Allied acts of war, it is because of the special character of the war waged by the communists against us. But the civilian population has never been a target of Allied violence. Every effort has been made to minimize the effects of the war on the civilian population, sometimes involving great risks for Allied troops.

CONTROL OF GOVERNMENT

Mr. GRIFFIN. Mr. President, some time ago, in a speech before the Milwaukee Advertising Club, I discussed the difficulties of a new administration in obtaining control of the Government for which it is responsible.

This problem has been underscored by Willard Edwards of the Chicago Tribune in three recent and revealing columns dealing with a State Department matter.

I ask unanimous consent that these three columns be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Sept. 2, 1969]

TELLS OF INTRIGUE IN STATE DEPARTMENT

(By Willard Edwards)

WASHINGTON, September 1.—The extraordinary tale disclosed here is more than an account of flagrant injustice to a dedicated career government employe with an outstanding record.

It illumines, as few cases can, the almost insuperable difficulties encountered by a new administration in seeking to reform government departments controled by hold-over officials who have contrived a maze of federal regulations to insure their retention of power.

It helps to explain President Nixon's seeming tardiness to fulfilling the pledge he voiced nearly a year ago, in campaigning for the White House, that, when elected, "we are going to clean house in the state department."

No man was more sincere than Nixon in voicing that promise, and he remains determined to keep it. As Vice President, he agonized for eight years over the Eisenhower administration's seeming inability to accomplish the cleansing process.

He knew where the "good men" in the state department were, Nixon said last Oct. 13, and, with their help, if elected, he was going to weed out the "architects of the past."

The State Department, seven months after Nixon's inauguration, remains peopled with the architects of the past below the top levels. What of the good men?

One of them is John D. Hemenway, 42, chief of the Berlin section. Born and raised in Milwaukee, Hemenway enlisted in the army in 1944 when 17, was promoted to lieutenant in a year, went to the Naval academy where he graduated with honors, was a Rhodes scholar at Oxford university and is fluent in Russian and German. He entered the state department in 1954 and soared quickly to his present grade by 1960.

An official evaluation of this energetic six-footer in 1967 termed him "a master of the complexities of the Berlin situation . . . forceful and imaginative." His record could be called dazzling and the then United States ambassador to Germany, George C. McGhee, and the present minister in Berlin, Brewster Morris, strongly recommended his promotion to higher rank.

Instead of a promotion, Hemenway last Jan. 17 received notice that he was being dismissed as a foreign service officer without retirement annuities after a total of 24 years in government, counting his military service. He is married and has five children.

He has been fighting for his rights since. The White House, it can be stated on the best authority, is gravely concerned about what can only be described as a shameful inequity. Alternative federal employment has been offered Hemenway, but the state department is obdurate to his retention. He is scheduled to leave Sept. 6.

As one observer saw it, the state department power structure was giving notice to the new administration that if there was to be any housecleaning the good men might be the first to go.

Why was Hemenway singled out for retribution and why has the administration been baffled in its efforts to retain his talents in the department where they are most needed?

Bulky files reveal the answer. As second secretary at the American embassy in Moscow from 1960 to 1962 and as Berlin section chief since then, Hemenway revealed a clarity of vision about communist designs that infuriated some of his superiors, notably Alfred Puhan, now ambassador to Hungary. Their resentment was increased when subsequent developments, in a number of instances, revealed Hemenway's perception as acute.

There was additional provocation in the fact that Hemenway was a Republican of moderately conservative views who made no secret of his support of Nixon before the G.O.P. national convention.

More details in this latest revelation of state department intrigue will be disclosed in a following column.

[From the Chicago Tribune, Sept. 4, 1969]

DIPLOMAT'S FIRING IS EXAMINED

(By Willard Edwards)

WASHINGTON, September 3.—The bitterly ironic reflections of John D. Hemenway, chief, Berlin section, office of German affairs, can be imagined when he heard these words last Jan. 22 from the new secretary of state, William P. Rogers:

"I hope to lead an open establishment where men speak their minds and are listened to on merit . . . where divergent views are fully and promptly passed on for decision. . . ."

Just five days earlier, as one of the last acts of the department under Secretary Dean Rusk, Hemenway had been fired precisely because he had courageously advanced "divergent views" in conflict with his superiors.

These higher-ups, Alfred Puhan, acting deputy assistant secretary for European affairs [now ambassador to Hungary], and Alexander C. Johnpoll, acting director of German affairs, repeatedly clashed with Hemenway in ideological disputes over a three-year period.

Hemenway was backed in most of his stands by the then ambassador to Germany, George C. McGhee, and the present minister, Brewster Morris, both of whom strongly recommended his promotion. The power establishment in Washington decreed his discharge instead.

Rusk was fully aware of these policy disputes. Last Jan. 2, Hemenway, warned of his impending departure as a career diplomat, sought and obtained a personal interview with the secretary, and documented 16 instances of policy differences which, he felt, were responsible for his punishment.

The undisputed record disclosed Hemenway's attempts to prevent a serious policy mistake by Puhan that precipitated the Berlin voting rights crisis of 1966. He resisted a Puhan directive that Rudi Dutschke, a militant pro-communist student leader in Berlin, be given a visa to travel in the United States.

Hemenway fought a Johnpoll directive to abolish the Berlin task force. He irritated Puhan by proposing a task force meeting, just prior to the soviet invasion of Czechoslovakia, to discuss the situation.

It was evident that Hemenway's major crime was that he was often proved by events to have been right while Puhan and Johnpoll were knowingly or unknowingly in error.

Rusk went thru the motions of ordering a review by two ambassadors. Their bulky report contained glowing descriptions of Hemenway's capabilities and performance, but noted regretfully that he was "aggres-

sive" and "tenacious" in presenting his views. Such an attitude, of course, was intolerable under the state department code, and Rusk upheld the discharge.

Congress is often the court of last resort in such cases. Hemenway had no friends on Capitol hill but his father-in-law, a resident of Eatonton, Ga., interested Georgia's two senators, Richard Russell and Herman Talmadge, and a congressman in his plight. Soon, a message was delivered to Hemenway:

"You'd have done a lot better to have some liberal senator intercede for you, not southern conservatives!"

Eventually, however, congressional complaints reached the White House. What happened next will be revealed in a third, but predictably not the final instalment, in this account of the state department's counterattack to the housecleaning pledged by President Nixon.

[From the Chicago Tribune, Sept. 6, 1969]

DIPLOMAT'S CASE UP TO NIXON

(By Willard Edwards)

WASHINGTON, September 5.—Capitol hill rumblings about the ordeal of John D. Hemenway, a foreign service career officer, reached the White House last July.

They never reached the ears of President Nixon, altho he would presumably have been interested in a case bearing upon his campaign pledge for a housecleaning in the state department.

Nixon had vowed to use "good men" in the department to help him dispose of "architects of the past." Hemenway, an expert on German and Russian affairs, a defender of traditional United States interests in Europe, a Republican and a Nixon supporter, was the kind of good man Nixon seemed to have in mind.

Hemenway, chief of the Berlin section, was fired three days before Nixon became President. His firm views on handling the communist adversary had long irked his immediate superiors. Recommendations for his promotion, on the basis of a brilliant record, were pigeonholed. Then he was kicked out under a regulation eliminating officers who failed to be promoted over a fixed period.

When congressional appeals for correction of this manifest injustice finally arrived at the White House two months ago, an aid routed them to the state department for an answer.

Back came a reply prepared by the holdover officials who had marked Hemenway for punishment. His case, they said, had been subjected to "intensive and high level review" and no unfairness could be found.

Perhaps, the White House assistant conceded in relaying this statement to inquiring members of Congress, there was an element of injustice in the timing of the dismissal. Only 42 years old, Hemenway had 24 years of military and diplomatic service. He would have been entitled to an annuity after 25 years. The state department had killed these rights.

Therefore, a compromise was suggested. He could be appointed a foreign service reserve officer and shipped over to the department of health, education, and welfare for a year's employment, making him eligible for a small pension. At the end of the year, it was stressed, he would have to leave.

Why couldn't Hemenway be retained in the state department for at least another year? This was "not feasible because of some of Mr. Hemenway's own activities over the past months."

In a memorandum of reply, Hemenway demanded to know what "activities" were referred to.

He didn't get an answer. He was denied permission to inspect the records of a review of his case.

Did the "activities" in recent months refer to the fact that he had fought for his rights and even interested Congress in his case? Or had he offended by candid answers given to Federal Bureau of Investigation agents investigating the background of Alfred Puhan, nominated [and later confirmed] as ambassador to Hungary? A bulky record points to Puhan as Hemenway's major foe in ideological clashes during the last three years.

The terminal date of Hemenway's state department service, at this writing, is tomorrow. But there is reason to believe that the White House [with a different staff aid in charge] is deeply concerned that fair treatment be accorded a dedicated public servant. The eventual outcome in this case could serve notice that honest policy differences with a superior will no longer destroy a state department officer's career.

THE AMERICAN FLAG: SYMBOL AND REMINDER

Mr. TYDINGS. Mr. President, 155 years ago last Friday, September 12, British forces attempting to capture Baltimore were halted at the Battle of North Point. Under the command of Gen. Samuel Smith, American soldiers fought to a standstill 9,000 British regulars on a point of land close to the Patapsco River.

The battle forced the British to attempt to subdue Baltimore by naval bombardment instead. The subsequent naval attack also failed and is popularly remembered because it inspired Francis Scott Key to write "The Star-Spangled Banner."

The failure of the British to capture Baltimore ended their drive to split our young Nation in two. Coming on the heels of the burning of Washington, it destroyed the British momentum and heartened all Americans discouraged by the many military reversals suffered.

Baltimore, then as now, was a maritime and commercial center vital to the United States. Its capture would have had a disastrous impact on the outcome of the War of 1812 and possibly the continued existence of the United States.

In Maryland we celebrate September 12 as Defender's Day.

It is appropriate, therefore, that today we recall the Battle of North Point and pause for a moment to reflect on the meaning of the banner which we so proudly hail.

When Old Glory flew over Fort McHenry, it not only represented the Union of States and political liberty. It meant as well a revolutionary idea—the belief that man should and could govern himself. It stood for an experiment in self-government, an experiment that is continuing today.

The world looked at us then and questioned whether the newly formed Nation of 1776 could survive with dignity and freedom intact. It continues to look at us today. The United States of 1969 is examined by the entire world to see if democracy and individualism can survive in the modern age.

I deeply believe it can and that our flag is a symbol of our commitment to these beliefs. Self-government and equal justice under law must survive in the United States if they are to survive at all.

Yet our flag is also a reminder that this "noble experiment" is neither ended nor totally successful. Intolerance and injustice still stain our society.

Until they are eradicated from both individual and institution alike the ideals which our flag represent will remain rhetoric as much as reality.

In honor of our flag and in remembrance of Defender's Day I have today written the Postmaster General of the United States requesting that on the week of June 14 during the National Flag Week all post office vehicles carry a poster commemorating our flag and recognizing National Flag Week.

I ask unanimous consent that my letter to the Postmaster General be printed in the RECORD.

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

SEPTEMBER 12, 1969.

Hon. WINTON M. BLOUNT,
Postmaster General, Post Office Department, Washington, D.C.

DEAR MR. POSTMASTER GENERAL: The American flag is both a symbol and reminder of the ideals of self-government and equal justice under law upon which our country stands. Our flag is visible representation of our nation's continuing experiment in democracy.

Today in Maryland we celebrate Defenders Day in honor of the successful defense of Baltimore during the War of 1812. It was this effort which led Francis Scott Key to write the "Star-Spangled Banner."

Next June 14 our Nation will again celebrate National Flag Week. This week is set aside by Presidential proclamation to honor our flag and recall its history.

It would then be most appropriate for Post Office vehicles to carry a poster commemorating National Flag Week. The cost to the Department would be minimal; the recognition of our flag most worthwhile.

I respectfully urge you to have all postal vehicles so marked and hope that National Flag Week can be properly celebrated.

Sincerely,

JOSEPH D. TYDINGS.

PUBLIC HEARINGS ON TAX REFORM ACT OF 1969—SUMMARY OF TESTIMONY

Mr. LONG. Mr. President, on Thursday, September 11, 1969, the Committee on Finance received testimony from a number of witnesses concerning various features of the House bill H.R. 13270. Generally, these witnesses spoke on several different provisions in the bill. Some witnesses, however addressed themselves primarily to the tax treatment of single persons.

So that Senators might follow the progress of these tax reform hearings, I ask unanimous consent that a summary of the testimony be printed in the RECORD.

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

PUBLIC HEARINGS ON TAX REFORM ACT OF 1969, STAFF SUMMARY OF TESTIMONY OF WITNESSES ON THURSDAY, SEPTEMBER 11, 1969

HON. PAUL DOUGLAS, CHAIRMAN, NATIONAL COMMITTEE ON TAX JUSTICE

Tax relief for low- and middle-income families (pp. 3–5–8–9 of committee print)

States that the bill continues to give the rich favored treatment. Indicates that a third of the relief will go to the 10 percent of taxpayers with adjusted gross incomes of more

than $15,000. Maintains that the $3.1 billion tax relief for this group is almost 2½ times the $1.3 billion to be recouped by tax reform from them. Claims over half of $4.5 billion in general rate reductions goes to this class. Indicates the maximum tax on earned incomes gives $100 million in relief to the less than 0.5 percent which have adjusted gross incomes of over $50,000.

Supports the relief given to low- and middle-income families, but believes there is no tax justice when money gained from tax reform is used to reduce the rates of those who benefited most from tax inequities. Argues that this situation is deplorable when it creates a deficit and would reduce the funds available for much needed Federal programs.

States that elimination of most tax preferences should bring a revenue gain of over $12 billion—a sufficient sum to ease the burden of low- and middle-income wage earner and provide some funds for the country's needs.

Conglomerates (p. 3 of committee print)

Maintains that the tax laws should be revised to avoid encouraging the formation of conglomerates.

Miscellaneous (p. 3 of committee print)

Urges Congress to give prompt attention to ending the present law treatment of the multiple surtax exemptions on corporations, and the unlimited charitable contribution.

Capital gains (p. 5 of committee print)

Urges the elimination of the preferential treatment of all capital gains including gains transferred at death with some provision for averaging over a period of years. States that the House bill ignores unrealized gains transfererd by gift or death. Estimates that this proposal would yield an annual revenue gain of $6 to $9 billion.

Depletion and expensing of exploration and development costs (pp. 5–6 of committee print)

Claims that reduction of the oil depletion allowance from 27½ to 20 percent and correspondingly reductions in other depletion allowances only reduces $1.6 billion subsidy by 25 percent and is not a true reform measure.

Asserts that the House bill did not treat the tax preferences accorded to the oil industry which permits oil operators to deduct in the year of expense most of their costs of exploration for and development of oil wells. Maintains that these costs are comparable to capital outlays which in other industries must be deducted over a perod of years.

Points out that income gained by excess depletion allowances and expensing of exploration and development costs are not subject to the minimum tax.

State and local bonds (p. 6 of committee print)

States that option of a Federal subsidy on taxable State and local bond issues will confuse the bond market and not dispense with the preference. Contends that tax-exempt bond provisions should be eliminated and a subsidy provided to governments issuing taxable bonds.

Taxes on interest and dividends at the source (p. 7 of committee print)

Maintains that withholding taxes should be levied on interest and dividends at the source. Contends that present treatment allows nearly $4 billion of dividend and interest income to go untaxed annually.

Real estate accelerated depreciation (p. 7 of committee print)

Indicates that the bill continues to permit real estate industry to deduct depreciation at a rate faster than the depreciation actually occurs. States that this preference can only be supported in the field of low-income housing.

PHILIP H. WILLKIE, RURAL-SMALL TOWN, SMALL CITY COALITION, INC.

General (p. 13 of the committee print)

Believes the tax reform bill is against the public interest. States that the effort to eliminate many "loopholes" in the present tax structure has resulted in the elimination of many valuable incentives to investment in areas essential to the national interest.

Foundations (p. 14 of the committee print)

Opposes the tax on the income of private foundations and the limitations on the holding of voting stock of a corporation by private foundations.

Capital gains (p. 14 of the committee print)

Opposes the increase in the capital gains tax from 25 percent to 32½ percent, and the extension of the holding period from 6 months to a year in order for capital gains to be realized. Opposes also the elimination of capital gain treatment on lump-sum distributions. States that the curtailment of capital gains of breeding stock will cut down the numbers of breeding stock and will cause an increase in the price of food.

Real estate (p. 15 of committee print)

States that the changes in the depreciation rules on real estate, the increase in the capital gains tax, and the interest limitations will seriously affect real estate development and cause unemployment in the building trades.

Municipal bonds (p. 16 of committee print)

States that a tax on municipal bonds will cripple these markets and cause greater loss to those persons who bought the bonds in the belief that they are tax exempt. Indicates that there will be serious problems for States and communities to finance their business institutions if such changes are enacted.

HON. ABNER J. MIKVA, U.S. REPRESENTATIVE FROM ILLINOIS

Tax reform (p. 17 and 18 of committee print)

Maintains that the need for substantial tax reform is real and urgent and that the case for reform has been made largely in terms of symbolic issues: oil depletion allowance, tax-free municipal bonds, and high-income citizens who pay little or no tax.

Argues that meaningful tax reform to the average American taxpayer means tax relief and that Congress must provide this relief in order to avert the taxpayer's revolt described by former Treasury Secretary Barr.

Surtax (p. 18 and 19 of committee print)

Recommends that the surtax be repealed on October 31 of this year or at least that 5-percent surtax not be extended for 6 months during 1970.

JOEL BARLOW, COUNSEL FOR NATIONAL MACHINE TOOL BUILDERS ASSOCIATION

Reform of the depreciation tax structure (p. 29 of committee print)

Expresses disappointment that Treasury has not recommended overall depreciation reform. Suggests that the amortization provisions for railroad rolling stock and pollution control facilities constitutes recognition of inadequacy of present depreciation policy.

Indicates 1969 survey finds that the United States has the highest percentage of overage and obsolete industrial facilities of any leading industrial nation, and has the "most restrictive and outdated" capital recovery tax structure.

States that United States needs a permanent capital recovery tax structure as liberal, and simple as other industrial nations; for example Canada.

Believes that if investment in productive facilities is not encouraged in the United States, more capital funds for plant expansion will move abroad where tax inducements are greater.

States Treasury persists in the view that capital investment allowances can be used as contracyclical measure in dealing with inflation. Expresses the opinion that effective timing is impossible in this regard.

Specific depreciation reform proposals (p. 35 of committee print)

Elimination of the reserve ratio test (p. 35 and appendix A, p. 54 of committee print).—Recommends that reserve ratio test be eliminated from the depreciation guidelines because it is restrictive and complex. Suggests instead that problems be met in individualized tax depreciation lives and service life auditing.

Depreciable lives of the depreciation guidelines (p. 36 and appendix A, p. 54 of the committee print)

Suggests that the depreciable lives of the depreciation guidelines be included in the revenue code to deter the Treasury from unilaterally extending depreciation lives to increase revenues as it did in the 1930's.

Establishing salvage or residual value for productive equipment (p. 36 of committee print)

Urges elimination of the requirement for establishing such values to preclude adjustments by and controversies with the revenue service.

A $10,000 ceiling on additional first-year depreciation (p. 36 of committee print)

Would amend code to eliminate $10,000 ceiling with a possible reduction in the rate of the additional first-year depreciation allowance from 20 percent to 15 percent.

"Booking" depreciation (p. 37 of committee print).—Indicates that three national trade associations representing the machine tool industry and the tool, dye, and precision machining industry, believe industry should accept the booking of tax depreciation for financial reporting purposes if the Treasury insists upon this as a condition to depreciation reform.

CHARLES STEWART, PRESIDENT, MACHINERY & ALLIED PRODUCTS INSTITUTE

General (p. 69 of committee print)

Objects to tax reform bill because it is being rushed through Congress; is excessively complex; makes certain changes retroactively; is unbalanced with respect to corporations in comparison to individuals; punishes investment in favor of consumption; and ignores the prospect for continued inflation.

Deferred compensation (p. 78 of committee print)

Recommends deletion from the bill. Indicates that the Government appears to be trying to get around "constructive receipt" doctrine for a taxpayer on a cash accounting basis. Believes that the provision would be difficult to administer. Considers the $10,000 exemption to be inadequate. Points out that the bill does not define "deferred compensation."

Restricted stock plans and stock options (p. 81 of committee print)

Proposes that the existing rules regarding restricted stock plans be continued. Proposes that the code provisions relating to stock options be liberalized to extend the period which options may be outstanding from 5 years to 10 years and to reduce the holding period from 3 years to 18 months or 1 year.

Moving expenses (p. 83 of committee print)

Supports the broadening and liberalization of the deduction, but suggests that the 30-day limit on temporary living expenses be increased to 60 days, or at least 45 days; that the dollar limitations be increased; that the mileage test not be increased; that the requirement to include reimbursements in gross income be simplified; and that the related problem of the loss on the sale of a home in a job-connected move be considered.

Taxation of foreign earnings (p. 86 of committee print)

Urges that this section be eliminated. Argues that the "deemed credit" should be made available with respect to foreign taxes paid by any second- or lower-tier foreign subsidiary if there is at least a 10-percent voting stock ownership by a first- or upper-tier foreign subsidiary in which the American taxpayer holds at least a 10-percent interest.

Subpart F (p. 87 of committee print)

Recommends consideration of the interrelationship between subpart F and section 482 regulations with removal of any overlap between the two.

Double taxation of foreign earnings (p. 87 of committee print)

Maintains that existing treaty provisions have not provided an adequate solution to double taxation problems.

Section 367 rulings (p. 88 of committee print)

Recommends that section 367 be amended to drop the advance ruling requirement and substitute an authority for an after-the-fact justification by the taxpayer.

Real estate depreciation (p. 89 of committee print)

Requests that the change to permit only straight-line depreciation on used property and 150 percent accelerated depreciation on non-housing new real property and the requirement for recapture not be applied to industrial real property.

Capital gains and losses (p. 90 of committee print)

Argues that repeal of the alternative 25-percent rate, the lengthening of the holding period to 12 months, and the limitation on capital losses would result in a blunting of incentives to take risks and would decrease fluidity in investment markets.

Contends that the change in tax treatment of lump-sum pension and profit-sharing distributions would be disruptive to such plans, might create severe tax results, and would discourage the establishment and growth of these plans.

Tax accountiny problems (p. 94 of committee print)

Advance payments (p. 94 of committee print).—Recommends legislation to overrule misapplication of the Hagen rule involving taxation of advance payments when received, at least with respect to industrial goods, so that the tax is deferred until the sales transaction is completed.

Methods of accounting (p. 96 of committee print).—Suggests that section 481 be amended to authorize a 10-year spread of the tax impact of changes in accounting methods.

Inventory valuation (p. 97 of committee print).—Opposes a proposed Revenue ruling which would disapprove for tax purposes both the "prime cost" and the "direct cost" methods of inventory valuation.

Reserves for estimated expenditures (p. 97 of committee print). Believes that accrual of reserves for estimated expenditures should be authorized by statute.

Accumulated earnings tax (p. 97 of committee print)

Requests a reevaluation of the accumulated earnings tax.

Charitable contributions (p. 98 of committee print)

Considers these provisions to be potentially damaging to the pattern of contributions, and recommends reexamination of the entire area.

JOHN T. HIGGINS, CHAIRMAN, AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC., TAX COMMITTEE

Foundations (p. 120 of committee print)

Suggests eliminating the stock ownership limitations because of their detrimental effect upon the continuity of ownership and management of many small corporations.

Moving expenses (p. 120 of committee print)

Suggests eliminating the overall dollar limitation of $2,500 on the three new categories of deductible moving expenses. Urges that the 20-mile test of existing law be retained—states that the 50-mile test contained in the House bill assumes an unreasonably long commuting pattern. Recommends that the new rules apply beginning in 1969 rather than in 1970.

Deferred compensation (p. 121 of committee print)

Urges no change in existing rules covering unfunded, nonqualified deferred compensation arrangements. However, if these provisions are not deleted then urges that the minimum tax should apply to deferred compensation payments.

Original issue discount and convertible indebtedness repurchased premiums (p. 121 of committee print)

Recommends that convertible debentures be treated the same as bonds issued without warrants attached in determining the tax effect of original issue discounts and repurchased premiums.

Tax treatment of stock dividends (p. 122 of committee print)

Objects to giving the Treasury Department authority to treat as a dividend an increase in a stockholder's interest in the assets or earnings of a corporation because of a change in a conversion ratio, a change in redemption price, a redemption treated as a taxable dividend, or any similar transaction. Urges, instead, that the rules be provided in the statute. Recommends that the grandfather clause applicable to stock outstanding on January 10, 1969, be expanded to cover holders of rights or convertible securities which were outstanding as of such date.

Earnings and profits (p. 122 of committee print)

Opposes the provision requiring earnings and profits of corporations to be determined by the use of the straight line method of depreciation. If it is to be applied, do not apply to foreign corporations.

Capital gains (p. 123 of committee print)

Recommends that one-half of the capital gains of a corporation be subjected to the regular corporate tax rate, rather than the 30-percent tax rate and that 50 percent portion decrease as the holding period lengthens.

Real estate depreciation (p. 123 of committee print)

Feels that the accelerated depreciation methods should not be denied to the manufacturing segment for their new plants simply because "some high income individuals" have used real estate investments as a tax shelter.

Repeal of investment credit and amortization of certain railroad rolling stock (p. 123 of committee print)

States that these provisions point out the need for more adequate depreciation allowances. Recommends the elimination of the Treasury's "reserve ratio test." Suggests that only taxpayers claiming depreciation lives shorter than the specified life or lives for their industry be subjected to the complications of the Treasury's "depreciable guidelines."

JAMES B. IRVINE, PRESIDENT, ASSOCIATION FOR ADVANCED LIFE UNDERWRITING

Deferred compensation (p. 146 of committee print)

Considers the deferred compensation provision detrimental to the public policy of encouraging adequate retirement programs.

Notes that the bill does not define "deferred compensation." Indicates that some compensation received during the retirement years is at the insistence of the employer and not the employee; thus, it is not "bargained for," but would appear to be includable under the bill. Believes that the statutory language reaches arrangements where compensation is deferred between different years in which the employee is working, but questions that this was the intention of the House bill. Recommends that a workable definition of deferred compensation be developed.

Recommends that the statute explicitly exclude supplementary pension benefits, disability benefits, and death benefits from the deferred compensation concept.

Suggests that the $10,000 annual exclusion is inadequate.

Asserts that the proposal compounds the tax return complexities by requiring tax recomputations.

Restricted property (p. 154 of committee print)

States that the recognition of restricted property arrangements as a form of deferred compensation is helpful. However, feels that the bill can be improved by—

(1) Applying full deferred compensation rules to restricted property;

(2) Removing the reliance on forfeitability considerations;

(3) Emphasizing that the restricted property rules apply to all property (including insurance policies), and not merely stock as implied in the committee report, and to all forms of funding approaches; and

(4) Coordinating the deferred compensation payment deductions for the employer with the taxability of the deferred compensation receipts.

LEONARD E. KUST, VICE PRESIDENT AND GENERAL TAX COUNSEL, WESTINGHOUSE ELECTRIC CORP.

General (p. 181 of committee print)

Considers the emphasis on reducing individual taxes while increasing corporation taxes to be economically undesirable. Questions the advisability of increasing the corporate capital gains tax to 30 percent and repealing the investment credit.

Moving expenses (p. 184 of committee print)

Suggests that the categories of allowable moving expenses be enlarged to cover all normally incurred expenses, including certain miscellaneous expenses of disconnecting utility service and appliances, altering rugs, and so forth, and additional costs related to the sale of a residence, such as "carrying charges" (for example, taxes, insurance, interest, utilities, and so forth, being incurred on both the old and new home). Recommends that the $2,500 limitation on the "indirect" expenses be raised to at least $4,000.

Real estate depreciation (p. 186 of committee print)

Argues that present accelerated depreciation methods should be continued for owner-occupied industrial and commercial buildings, as these do not lend themselves to tax avoidance. Contends that the proposed changes in the recapture provisions are adequate to prevent abuse of double-declining balance or sum-of-the-years digits depreciation.

Restricted stock and other deferred compensation (p. 188 of committee print)

States that provisions in bill will render restricted stock and deferred compensation

arrangements useless as a means of inducing key employees to remain with the employer. Indicates that qualified stock options have not adequately served this purpose.

States that the exclusion of deferred income from qualifying for the 50-percent maximum tax rate on "earned income" is incompatible with the aims of the limit. Suggests that forfeitable bonuses payable over no more than 5 years and subject to an "earn-out" not be considered as deferred compensation.

MRS. CARYL TERRY, PARENTS WITHOUT PARTNERS, INC.

Joint tax rate for certain parents (p. 212 of committee print)

Urges that the joint tax rate be provided for all single parents who maintain homes for their children. Thus, divorced or separated parents would be accorded the same treatment as widows and widowers.

Medical and child care expenses (p. 214 of committee print)

Recommends that persons living apart pursuant to separation agreements be permitted to elect to treat themselves as widowed, divorced, or legally separated persons for tax purposes.

Medical and child care expenses (p. 142 of committee print)

Suggests that deductions for medical or child care expenses be broadened to:

(*a*) accord such a deduction to a parent who actually pays such expenses regardless of whether or not the child is that parent's "dependent" for tax purposes; and

(*b*) permit the deduction for parents who are separated but who have not yet received a final decree of divorce or legal separation if they maintain separate households and do not file joint income tax returns.

In addition, permit divorced or separated fathers a deduction for child care expenses comparable to the deduction presently available to widowed fathers.

MISS DOROTHY SHINDER, DIRECTOR, PRESIDENT, SINGLE PERSONS TAX REFORM

Tax reform for war singles and other unmarried persons (p. 217 of committee print)

Explains that war singles are single women, or briefly married women, over 35 years of age, whose chances of marriage or remarriage were spoiled by the wars. Indicates that war singles deserve war reparations in the amount of $35,000 plus interest. Recommends that additional benefits for war singles include retirement at age 50 with full widows social security benefits (including the provision to work whenever they wish for additional unlimited income), medicare, tax deductible rents on their living quarters, and two dependency exemptions.

RICHARD W. EDWARDS, JR., WASHINGTON, D.C.

Intermediate tax rate individuals (pp. 213–235 of committee print)

Points out that bill establishes special lower tax rates for single persons over the age of 35 and widows and widowers. Asserts that these sections discriminate against married persons where both have income and elect to file separate returns. Maintains, however, there is no discrimination in cases where one married partner has no income or the taxable income is less than one-fourth of the taxable income of the other partner.

Recommends that if special tax rates are to be given to single persons, then these rates also be made available to married persons over age 35 who file separate returns. Urges as a preferred alternative that the provision be deleted. Argues that "intermediate tax rate individuals" are in the realm of fiction and undermine the original principle of income and expense sharing between husband and wife.

Low income allowance—proposal for minimum tax (pp. 235–237 of committee print)

States that bill will remove 5.2 million taxpayers from the tax rolls in 1970 and an additional 600,000 taxpayers will become nontaxable in 1971. Argues that the responsibility to pay at least something toward the cost of the Government from which he benefits is as basic as the right to vote.

Suggests that a minimum tax be established which would require all adult citizens to pay approximately $50 a year in Federal taxes.

BENJAMIN BOTWINICK, C.P.A., METROPOLITAN TAXICAB BOARD OF TRADE AND EMPIRE STATE TAXICAB ASSOCIATION

Multiple surtax exemptions (p. 230 of committee print)

States that there are sound business practices, such as limited liability, which dictate the organization method chosen and that taxes are only one of many important factors. Indicates that the present law does not create a loophole and does not require any reform. Points out that sections 269 and 1551 of the Internal Revenue Code may be used to prevent the use of sham and shell corporations, or the transfer of property to new corporations, not having good business purposes, to obtain the tax benefit of having a lower tax on the first $25,000 of taxable income. Points out further that section 482 may also be used to assure "arm's length" intercompany transactions.

Notes that in 1964 Congress enacted sections 1561–1563 which impose a penalty tax of 6 percent, in addition to the normal tax of 22 percent, for the privilege of using multiple corporation surtax exemptions; and thus there is no need for the provision in the House bill limiting the surtax exemptions.

Points out that the small businessmen, who use multiple corporations for valid business purposes, lose the opportunity of applying net losses of one company against the profits of another, thereby paying taxes on a higher amount than the consolidated net income.

States that although the reason given in the House Report for the provision limiting the multiple surtax exemption was to continue to help small businesses but restrict large organizations, the impact will be mainly against small businesses and only hurt big business in a very limited number of cases. Urges eliminating the House provision and suggests adopting provisions that will effectively prohibit only big corporations from utilizing undue multiple surtax exemptions. Suggests a requirement limiting multiple corporation surtax exemptions to a maximum of $500,000 of pretax income (or perhaps an even lower amount).

Mr. LONG. Mr. President, on Friday, September 12, the Committee on Finance received testimony from a number of witnesses concerning such features of the House bill as: First, extension of the unrelated business income tax on churches and other exempt organizations which today are not subject to that tax; second, treatment of debt-financed acquisition of business assets by a tax-exempt organization; third, the tax treatment of membership organizations and their relationship with their members; and fourth, the information returns required to be filed by tax-exempt organizations.

We also received testimony on that portion of the bill repealing separate surtax exemption for multiple corporations.

So that Senators might follow the progress of these tax reform hearings, I ask unanimous consent that a summary of the testimony be printed in the RECORD.

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

TAX-EXEMPT ORGANIZATIONS

HON. MORTIMER M. CAPLIN, COUNSEL, NATIONAL TAX EQUALITY ASSOCIATION

Business competition for tax-free organizations (p. 6 of committee print)

Contends that business activities of tax-free organizations result in unfair competition to taxpaying businesses. Notes that the University Hills Foundation had acquired 24 businesses during a 9-year period, the profits from which were ruled to be tax exempt. Points out that churches, fraternal beneficiary societies, and cooperatives are also extensively involved in ordinary business activities. Indicates that cooperatives are not just the small farming cooperatives but also operate in many other areas, and that five cooperatives appeared in Fortune's list of 500 largest business operations.

Indicates that tax immunity of profits enables exempt organizations to pay inflated prices for businesses, and that acquisition of businesses by exempt organizations is increasing as a result of the *Clay Brown* case. Argues that this tax immunity results in substantial losses of Federal revenues. Considers the 1950 unrelated business tax to be inadequate.

Unrelated business income tax (p. 14 of committee print)

Supports House bill to extend unrelated business income tax to churches, social welfare organizations, fraternal beneficiary societies, and so forth, and the tax on debt-financed acquisitions of income-producing property.

Cooperatives (p. 16 of committee print)

Maintains that cooperatives are essentially similar to corporations, and that there is no justification for not taxing the income to the cooperative and to the patron in the same two-tier tax system as for corporations-shareholders. Endorses Senator Ribicoff's bill (S. 2646) to accomplish this goal.

If this approach is not accepted, suggests adoption of the tentative decision of Ways and Means Committee requiring cooperatives to distribute currently 50 percent of earnings in cash and the other 50 percent to be paid out to patrons within 5 years.

Foundations (p. 20 of committee print)

Recommends approval of House provision to require divestiture of holdings in unrelated business to less than 20 percent.

Feels that if specific abuses by foundations are dealt with directly, there is little need to impose a tax on investment income, which would penalize charitable recipients of foundation grants. Agrees with Treasury proposal to impose only a "supervisory fee" for administrative costs.

Advertising income of exempt organizations (p. 21 of committee print)

Urges adoption of House provision to tax advertising income of exempt organizations. Asserts that such income results in unfair competition with taxpaying publishers.

Suggests that Treasury be given authority to prescribe legislative regulations for determination of allowable deductions to arrive at taxable income in order to prevent avoidance of a tax by accounting maneuvering.

Technical correction of unrelated business income tax (p. 23 of committee print)

Considers the House bill relating to taxation of "passive" income from rents, royalties, and so forth, to be inadequate. Recommends that exclusions for rent, royalty, and interest be unavailable for any income which is deductible by the payor and paid to the exempt organization by an entity which exempt organizations, its creditors, or related persons have a significant interest. Suggests that these exclusions also be unavailable for rent, royalty, or interest income whose

amount is determined by amount of income (gross or net) realized by payor. Believes that consideration should be given to eliminating the rental exclusion from statute altogether.

Taxation of related business (p. 25 of committee print)

Indicates that some business operations may be considered as related to functions of an exempt organization, and yet be in direct competition with taxpaying businesss; for example, book or map publishing businesses. Recommends a Treasury study of relationships of "related businesses" and possible abuses in this area.

Clarification of deduction rules (p. 26 of committee print)

Notes that some courts have permitted nonprofit organizations to deduct expenses of nonprofit agencies (generally, furnishing of services to members) from net income from unrelated sources, and that this could result in complete avoidance of tax on unrelated business income. Urges adoption of House provision dealing with clarification of these deduction rules.

VERY REVEREND HOMER R. JOLLEY, S.J., PRESIDENT, LOYOLA UNIVERSITY, NEW ORLEANS, LA.

Extension of unrelated business income tax to churches (p. 29 of committee print)

Points out that Loyola University, which operated WWL-TV and WWL, does not oppose legislative efforts to stop the Clay Brown type transaction. Objects, however, to the extension of the unrelated business income tax to churches.

Indicates that Loyola University will operate at a deficit during the next 5 years which would be increased substantially if it were not for the anticipated revenue to be derived from its television and radio operations.

Believes that there is a middle ground available to Congress which will both curb the abuses to which the House bill is aimed and at the same time retain the traditional tax-exempt status of churches. Recommends as an alternative to the provision in the House bill that churches be required to expend (in the exercise or performance of its religious, charitable, or educational purposes) at least 80 percent of their earnings from commercial operations on an annual basis. Believes that this minimum expenditure approach combined with the inability to borrow imposed by the *Clay Brown* provisions will remove any competitive edge which churches may enjoy.

Proposes that if this approach is not deemed desirable by the committee that methods other than the provisions in the House bill be explored to allow churches an unlimited deduction for earnings distributed to or permanently set aside for the benefit of certain qualified operations or organizations such as schools, hospitals, and charities, which derive their support from the general public. Indicates that another method would be to allow a phase-in period of 10 years to enable churches, including Loyola, to retire substantial long-term indebtedness which in major part is financed by revenues from unrelated activities.

ROBERT E. M'KENNA, ROBERT A. SALTZSTEIN, AND PAUL CONRAD, REPRESENTING AMERICAN BUSINESS PRESS AND NATIONAL NEWSPAPER ASSOCIATION

Tax on advertising income (p. 57 of committee print)

Maintains that advertising is a business unrelated to any tax-exempt purpose, and any profits should be taxed as are profits from other taxpaying advertising. Supports the Internal Revenue Service regulations and House bill provision to tax the advertising income of exempt organizations.

Suggests that each separate publication of an exempt organization be accounted for separately to prevent tax avoidance, and that appropriate regulations be adopted to prevent use of accounting devices to avoid tax.

Argues that taxpaying publishers also perform worthwhile public services as do exempt organizations.

WILLIAM J. LEHRFELD, COUNSEL, NATIONAL FRATERNAL CONGRESS OF AMERICA

Unrelated business income tax (p. 77 of committee print)

States no substantial objection to the extension of the unrelated business income tax in its *present form* to the fraternal beneficiary societies since all other exempt organizations will be subject to this tax. Supports the equivalent treatment of all exempt organizations as to the taxation of unrelated debt financed income. Objects, however, to the singling out of fraternal beneficiary societies for special treatment of "diverted" passive income. Points out that the House bill does not treat equivalent organizations on an equal basis; it does not treat equivalent income on an equal basis. Urges the Senate to reject this treatment.

Public information returns (p. 95 of committee print)

Indicates no substantial objection to the requirement that all exempt organizations file public information returns so long as some provision is made in the statute for an automatic exception for very small organizations, such as local lodges with less than $5,000 in gross receipts and assets.

EDWIN K. STEERS, GENERAL COUNSEL, IMPERIAL COUNCIL OF THE ANCIENT ARABIC ORDER OF THE NOBLES OF THE MYSTIC SHRINE OF NORTH AMERICA

Background concerning the Imperial Council (p. 107 of committee print)

States that the Shrine has been characterized for the color and pageantry of its parades and fund raising activities in support of the Shriners hospitals for crippled children. Notes several of their charitable endeavors in this regard.

Tax on investment income (pp. 112 and 118 of committee print)

Opposes the imposition of a tax on investment income and income derived from nonmember admissions to fund-raising events of fraternity beneficiary societies. States that the effect of imposing a tax on all investment income and income obtained from fund raising activities of the Imperial Council (and other fraternal organizations) would result in drastic curtailment of their further charitable and philanthropic endeavors.

Extension of the unrelated business income tax (p. 113 of committee print)

Supports the provision in the House bill which would encompass fraternal organizations (along with the other exempt organizations) under the existing provisions of the unrelated business income tax. States that this tax should be similarly applicable to all classes of organizations exempt under section 501 of the Internal Revenue Code. Points out that this would prevent a competitive advantage over private tax-paying businesses in cases where exempt organizations are able to generate income from a trade or business.

Exempt status of fraternal beneficiary societies (p. 114 of committee print)

Points out that there is no historical legislative precedent for attempting to treat exempt fraternal beneficiaries societies in the same categorical manner as exempt social clubs. Indicates that the organizational structure and purposes of these two exempt organizations are dissimilar, except that both are a membership form of organization. Maintains that the income sources to fraternal organizations are not now nor have they ever been a matter of unfair competition for private taxpaying businesses.

GEORGE F. KACHLEIN, JR., EXECUTIVE VICE PRESIDENT, AMERICAN AUTOMOBILE ASSOCIATION

Limitation on deductions of certain nonexempt membership organizations (p. 143 of committee print)

Argues that the limitation should not apply to the AAA. Maintains that many of its activities benefit the general public and are in the public interest, and that these activities would have to be curtailed if not eliminated if the limitation applies.

States that AAA competitors (insurance and oil companies with subsidiary motor clubs) apparently will be permitted to deduct membership operation losses while AAA will not.

Contends that the limitation requires an exact matching of dues and membership expenses, since excess dues are taxable, and excess epenses are not deductible, and that an exact matching is impossible because expenses depend largely on unpredictable factors such as weather conditions.

Contends that it is discriminatory to tax investment income from membership dues paid in advance, since newspapers and magazines may invest subscription receipts without being taxed separately on the investment income.

States that AAA receives income from advertising in its tour books and in connection with its system of rating hotels, restaurants, et cetera, and that it would be required to pay taxes on this income without reduction for cost of publication, because it is a nonmember income.

Contends it is impractical to allocate its costs between members and nonmembers.

Maintains that the scope of the limitation is too broad and that it should not apply to organizations such as the AAA whose members do not have direct control over the dues structure.

J. P. JANETATOS, COUNSEL, NATIONAL CLUB ASSOCIATION AND THE CLUB MANAGERS ASSOCIATION OF AMERICA

Unrelated business income tax (p. 167 of committee print)

Urges legislative preservation of present practice of allowing 5 percent of club's receipts to be derived from nonmembers without being unrelated income. Recommends clarification of "directly connected" expenses in relation to gross income, and that all expenses be allowed as deductions which help to produce income.

Objects to the complexity of definition of "exempt function income," and suggests that this be defined as "gross income from amounts paid by members." Requests clarification of concept of "guest" and what is "paid by members."

States that taxation of gains from sale or exchange of property should not be taxed because many clubs would be unable to reinstitute operations elsewhere due to high costs of land and construction. Suggests an exemption from the tax on gain if funds are used within 5 years for reacquisition of new facilities, and an exemption for investment income arising from capital improvement funds set aside for development or relocation.

DENVEL D. ADAMS, NATIONAL ADJUTANT, DISABLED AMERICAN VETERANS

Description of organization (p. 183 of committee print)

Discusses the role of the Disabled American Veterans, a nonprofit corporation chartered by an act of Congress and accountable to Congress, points out that it devotes the major part of its efforts to free assistance to veterans and its dependents, members and nonmembers alike.

Unrelated debt-financed income, self-dealing, full public disclosure (pp. 185 and 186 of committee print)

States that the DAV approves the provision in the House bill taxing unrelated debt-financed income, curtailing self-dealing, and

requiring full public disclosure of activities of tax-exempt organizations.

Unrelated business income tax (p. 187 of committee print)

Indicates also that the DAV does not oppose the House provisions extending the unrelated business income tax to all exempt organizations. Points out, though, that it believes that in enacting this provision Congress should indicate clearly that the DAV's traditional methods of fundraising should not be taxed. States that the tax on unrelated business income should be confined to commercial transactions in competition with taxpaying businesses. Indicates that if a tax were imposed on the funds of the DAV, it would cause a great reduction in service to disabled veterans.

MULTIPLE CORPORATIONS

JAMES W. RIDDELL, COUNSEL, VOLUME FOOTWEAR RETAILERS OF AMERICA AND COMMITTEE OF CONSUMER FINANCE COMPANIES

Multiple surtax exemptions (p. 193 of committee print)

Opposes repeal of the privilege to claim multiple surtax exemptions. Asserts that it has been the policy of the Congress to encourage legitimate and normal expansion of growing businesses by the allowance of a surtax exemption to every corporation within a controlled group which is established for sound business purposes. Points out that it has also been the firm legislative policy of Congress to deny the surtax exemption and all other deductions or exclusions to corporations which are formed for the purpose of tax avoidance without sound business purposes.

Urges the committee if it is to accept the provisions of the House bill to increase the phaseout period from 8 to 10 years, change the effective date of this provision to December 31, 1969, allow during the phaseout period a 100-percent dividends received credit, and permit members of an affiliated group claiming the benefits of the phaseout the same benefits with respect to intercorporate losses as are accorded to members of an affiliated group who file a consolidated return.

WALTER POZEN, COUNSEL, NATIONAL RETAIL MERCHANTS ASSOCIATION

Multiple surtax exemptions (p. 217 of committee print)

Opposes the proposed elimination of corporate multiple surtax exemptions. Contends that the effect of this proposal would create potentially serious consequences for retailing operations.

States the elimination of the exemptions would cause small marginal stores to be closed, adding that many small stores cannot absorb additional taxes and still remain profitable. Further states that innumerable local communities would suffer from a decline in services, availability and suitability of merchandise, and a decrease in competition and a loss in jobs.

Questions the Treasury's estimates of the additional tax revenue which would be gained by this provision, and suggests those estimates do not take into account the revenue loss resulting from the closing of marginal stores, as well as the loss from stores which never would open as a result of the provision.

Urges the committee to reject the multiple surtax provisions of the House bill.

ROBERT E. THOMAS, PRESIDENT, MAPCO, INC., ALSO REPRESENTING THE LP-GAS INDUSTRY AND THE NATIONAL SMALL BUSINESS ASSOCIATION

Multiple surtax exemption (p. 239 of committee print)

Opposes the House provision that the corporate surtax exemption be eliminated.

Contends the application of the surtax exemption to affiliate corporations is not an unintended tax preference. Disputes the contention that the exemption is the principal reason for businesses operating through multiple corporations. States that another misconception is the allegation that the availability of the exemption to affiliated multiple corporations results in a tax inequity which discriminates against their competitors.

Also, does not believe the elimination of the exemption is necessary to end the practice of some businesses of using multiple separate corporations to take advantage of more than one surtax exemption—because other provisions of the Revenue Code are designed to deal with this problem.

Suggests the "most disastrous effect" of the House provision is its impact on the market price of the stock or assets of small family-owned businesses, noting that in the liquid petroleum gas business alone there are 4,000 small family-owned businesses.

Lump-sum distributions from qualified profit-sharing plans (p. 251 of committee print)

Suggests the Ways and Means Committee apparently believes the benefits of capital gains treatment for lump sums paid from profit-sharing plans are derived only by high-salaried corporate executives. States that low-salaried employees receive proportionately large lump sums at retirement, explaining that only about 1 percent of MAPCO's employees earn more than $20,000 a year, and that it maintains a profit-sharing plan for all its employees. Contends the House provision would diminish the incentive for many employees to provide for their own future security.

Mineral production payments (p. 254 of committee print)

Expresses concern respecting the House bill's provision dealing with one form of mineral production payments; namely, carved-out production payments. States that MAPCO's oil and gas production subsidiary has legitimately accumulated operating losses pursuant to the Code, and that summarily taking away MAPCO's ability to carve out a production payment for the purpose of covering accumulated losses is exceedingly unfair.

Suggests that if such payments are to be outlawed, it seems only fair that they be outlawed with respect to future operations and not with respect to accumulated past losses.

Definition of plant facility, (p. 256 of committee print)

Believes the House bill entitles a pipeline system, on which construction was commenced prior to April 19, 1969, to an investment credit, but is concerned that the phrase "a single site" might be narrowly interpreted to not include a pipeline system. Contends this would lead to unnecessary dispute and litigation, and recommends that the report of the Senate Finance Committee on this legislation expand the list of examples of a single site to include the words "a pipeline route."

Mr. LONG. Mr. President, today the Committee on Finance received testimony from a number of witnesses concerning that portion of the House bill which tightens up on the bad-debt reserve deductions taken by commercial banks, mutual savings banks, and savings and loan associations. The House bill also reduces the tax benefits available to these institutions with respect to their gains and losses on bonds, and other corporate and governmental evidence of indebtedness.

So that Senators might follow the progress of these tax reform hearings, I ask unanimous consent that a summary of the testimony be printed in the RECORD.

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

FINANCIAL INSTITUTIONS

HON. PRESTON MARTIN, CHAIRMAN, FEDERAL HOME LOAN BANK BOARD

Residential real estate loans (p. 1 of committee print)

Urges the enactment of a tax incentive on residential real estate loans: a deduction based upon a percent of gross income from these loans, the so-called Administration proposal. Supports the tax deduction approach because this approach has the virtues of simplicity and clarity in contrast to the complications and ambiguities of the present "bad debt reserve" approach. Suggests the consideration by this committee of a stronger incentive on the same deduction basis, based on gross mortgage income derived from conventional mortgage loans to moderate and low-income households. Requests that if the Administration's "5-percent deduction" approach is accepted that consideration be given to a more liberal tax deduction such as 10 percent to provide incentives in this necessary area.

Tax definition of savings and loan (p. 5 of committee print)

Opposes the tax definition of savings and loan associations contained in the House bill. Points out that the bill *initially* describes a savings and loan as an insured institution or one which is subject to regulatory supervision and examination. States that the bill's definition goes further by describing specifically the business and activities of a savings and loan: "substantially all of the business of which consists of acquiring the savings of the public and investing in loans." Indicates that the definition in the House bill also sets forth an elaborate structure as to the mix of assets which a savings and loan must hold. Believes that the *initial* definition is adequate and to go further, inhibits the ability of the industry to adjust to changing consumer demand structure.

Mergers (p. 8 of committee print)

Maintains that the present application of the tax law to "supervisory" mergers has been in need of revision. States that a "supervisory" merger is encouraged or instituted *in the public interest* by the FSLIC and the FHLBB, involving one or more savings and loans with financial or managerial problems. Indicates that under present law tax deducted reserves *may* be subject to recapture upon merger or acquisition of assets; and if this is the case the tax must be taken from existing net worth. Asserts that this rule effectively bars some otherwise desirable merger candidates or unduly limits the available supervisory solutions. Believes that, at a minimum, "supervisory" mergers or acquisitions or assets instituted by the Board in the public interest should be relieved of this tax effect.

WILLIS W. ALEXANDER, PRESIDENT, THE AMERICAN BANKERS ASSOCIATION

Gains from debt securities (p. 13 of committee print)

Expresses concern that proposal to treat net gains and losses from debt securities as ordinary income that will have an adverse impact on debt securities markets. Asserts that the prospect of change has already decreased demand for low-coupon issues and long- and intermediate-term issues, as well as reducing the liquidity of banks. Contends that termination of present treatment of gains and losses will increase costs of Treasury and municipal intermediate- and long-term financing, even greater than the increase in tax revenue.

Maintains that present nonsymmetrical treatment of capital gains and losses of banks enables banking system to meet changing credit needs. Requests that if pres-

ent treatment is terminated, if not be made retroactive.

Bad debt reserves (p. 17 of committee print)

States that present bad debt reserve treatment is the result of intensive discussions between Treasury and banks on what constitutes an adequate reserve for loan losses.

Contends that current bad debt reserve provisions for banks provide stability and solvency for banks, and recognizes the need for different treatment from commercial businesses. Argues that public policy requires stepped-up marginal lending with respect to risk and net returns to solve inner city and other problems, and that this calls for strengthened, not weakened, bad debt reserves to avoid impairment of capital.

Asserts that effective tax rate as computed for banks is not entirely correct, as in 1968 insured banks also paid $132 million to the Federal Deposit Insurance Corporation and national banks paid $23 million to the Comptroller of Currency for deposit insurance and bank examination. Argues that these fees are, in effect, "taxes". Questions the relevancy of citing the lower effective tax rate on banks from tax-exempt interest income as an argument to lower bad debt reserves. Indicates that the proper issue is whether present bad debt reserve formula is adequate in relation to public policy objectives at a reasonable cost to Treasury.

Maintains that proposed carryback and carryforward treatment of losses does not provide some degree of protection as an established reserve.

Accumulation trusts (p. 23 of committee print)

Recommends that sections 341 and 342 of bill be eliminated because tax abuse is not a problem and that possibility of tax avoidance is slight.

Split interest trusts (p. 28 of committee print)

Suggests that requiring the establishment of an annuity trust or unitrust to obtain a charitable deduction not be enacted, as it would reduce investment flexibility of trusts and would impose unnecessary burden and expense on trustees.

Lump-sum pension distributions (p. 30 of committee print)

Contends that present system of capital gains treatment is equitable as an averaging device. Maintains that proposal would be highly complicated and administratively cumbersome.

Withholding of interest and dividends (p. 31 of committee print)

Opposes proposed amendment No. 140 to H.R. 13270 by Senator Kennedy to require tax withholding of 20 percent on dividends and interest. Asserts that proposal would place onerous burden of work and expense on private industry. Suggests that the Service use information already submitted on form 1099 to insure that taxpayers are paying taxes on these amounts before requiring withholding.

CHARLES H. OGILVIE, CHAIRMAN, NATIONAL ASSOCIATION OF BUSINESS DEVELOPMENT CORP.

Bad debt reserves for business development corporations (p. 37 of committee print)

Expresses the belief that business development corporations—as contrasted with commercial banks, savings and loans and mutual savings banks, and small business investment companies—are lenders with the least prospect for profit and probably the greatest potential of risk.

Notes that it has been suggested that the bad debt reserves of the business development corporations be established on the basis of actual loss experience, and states that due to the precipitous manner in which loans of these corporations would go bad and due to the size of their loans, they would be out of business before their experience could inure to their benefit. Adds that the 10-year carryback and 5-year carryforward provision of the House bill would not provide an adequate cushion for the typical business development corporation. Believes they should be placed in a separate category with respect to bad debt reserves due to their differences from other lending institutions in purpose, in type of loans made, and in the greater risks involved in their loans.

Suggests that business development corporations be allowed to retain presently established bad debt reserves provided they do not exceed 10 percent of outstanding loans at year-end. Alternatively, recommends they be permitted to deduct from taxable income each year such amounts as would be required to maintain a bad debt reserve in the amount of 10 percent of outstanding loans at year-end.

GEORGE C. WILLIAMS, PRESIDENT, NATIONAL ASSOCIATION OF SMALL BUSINESS INVESTMENTS COMPANIES

Disproportionate distribution of property to shareholders of (p. 46 of committee print)

Express concern with the House provision related to stock dividends; believes it would result in taxable income to shareholders of small business concerns financed by SBIC's where there are "disproportionate distributions" by such portfolio companies. Does not quarrel with present law taxing distributions of property where shareholders can elect between a stock dividend and the receipt of cash or other property, but fears the proposed extension of this principle to convertible securities would add considerable complexity to SBIC financing.

Also, is particularly concerned that the House bill would give the Secretary of the Treasury authority to determine what types of transactions might be treated as disproportionate distributions.

Urges amendment of the House bill to exempt SBIC financing from the provisions relating to disproportionate distributions. Alternatively, and in lieu of the delegation of authority to the Treasury, urges precise language in the bill with respect to such distributions.

Ordinary income treatment for gains on securities (p. 47 of committee print)

Expresses concern with the House provision which would treat gains on securities held by financial institutions as ordinary income. States the House report indicates this provision is designed to accomplish parallel treatment for similar types of financial institutions, but contends that if parallel treatment is to be accomplished the House bill should be amended to give SBIC's, as well as banks, ordinary loss treatment on a debt which is "evidenced by a security."

ARTHUR T. ROTH AND L. SHIRLEY TARK, COCHAIRMEN, BANKERS COMMITTEE FOR TAX EQUALITY

General (p. 51 of committee print)

States that House bill goes a long way toward closing many loopholes that allow partial or complete escape of taxes. Indicates that what we term loopholes today were, in many instances, originally designed to encourage certain segments of the economy. Hopes that in the future, however, that any such "pump-priming subsidy tax legislation" will have a suitable expiration date.

Bad debt reserves of financial institutions (p. 52 of committee print)

Feels that unless savings and loan associations and mutual savings banks are taxed in the same way on earnings as commercial banks, tax equality will not be achieved and an unfair loophole will still exist.

Tax-exempt interest for banks (p. 53 of committee print)

Contends that, in real economic terms, the computation of the effective tax rate on banks as determined by adding the tax-exempt interest received to gross income is incorrect. States that the correct method would be to add to taxable income the amount the bank would have received if the bonds were taxable and to add to the tax paid by banks the benefit realized by municipalities from the tax subsidy. Argues, therefore, that the effective tax rate on commercial banks under the House bill would be comparable to industrial corporations.

Treasury recommendations (p. 54 of committee print)

Agrees with Treasury proposals to place all financial institutions on the same terms regarding bad-debt reserve deduction—i.e., actual loss experience, and to allow a 5 percent special deduction of interest receipts from certain loans determined to be in the national interest.

States that small banks will benefit more than the larger banks under this proposal, and that savings and loan associations and mutual savings banks would benefit even more, as they have a higher portion of assets in residential mortgages. Maintains that major beneficiary will be home buyers and tenants in that proposal will increase competition for mortgage loans and drive down interest rates.

If House bill is followed (p. 56 of committee print)

Recommends that bad debt reserve deduction allowed for savings and loan associations and mutual savings banks be reduced to at least 20 percent, or less, by the end of the 10-year period, rather than the House bill's 30 percent.

Suggests that the bad debt reserve accumulation ceiling for mutual thrift institutions of 6 percent of qualifying real property loans be reduced to 4 percent.

Recommends that both savings and loan associations and mutual savings banks be required to invest 85 percent of funds in qualifying assets to obtain the special tax benefits, instead of 82 percent presently allowed for savings and loan associations and 72 percent for mutual savings banks under House bill.

EDWARD P. CLARK, CHAIRMAN, COMMITTEE ON TAXATION, NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS

Administration proposal (p. 59 of committee print)

Contends that proposal fails to achieve either tax equity or an incentive to invest in mortgage markets. States that the removal of the present bad debt reserve provision more than offsets proposed "special tax deduction". Argues that thrift institutions need no special incentives to invest in housing, since they are already heavily invested in this area. Maintains, however, that without a realistic bad debt reserve allowance, thrift institutions must seek less risky investments, and ultimately would convert into commercial banks to gain broader loaning powers.

States that the special deduction proposal is so circumscribed as to limit its usefulness to many savings banks and would fall with varying degrees of impact on individual institutions.

Suggests that administration proposal could be modified but not without altering its basic structure: (1) include a realistic bad debt reserve provision, and (2) eliminate or substantially reduce the 60-percent limitation in the special deduction proposal.

Argues that equality of tax treatment without equality of financial opportunities places a heavier tax burden on thrift institutions. Explains that institutions whose assets

are dominated by long-term loans require a greater bad debt reserve allowance than do commercial banks with predominantly short-term loans.

Contends that heavier tax burdens than present on mutual thrift institutions would weaken ability to compete with commercial banks and reduce supply of funds for housing and inner city rebuilding.

House-passed proposal (p. 62 of committee print)

Objects to investment standard imposed on mutual savings banks, as being too narrow and restrictive. Notes that a recent study of the Federal Home Loan Bank Board indicated a need for investment flexibility.

Suggests that investment standards, if enacted, be broadened to include all mortgage loans which are essential to residential building and rebuilding of urban centers. Requests elimination of 72-percent investment standard, elimination of provision which denies any percentage of income deduction to savings banks with less than 60 percent of assets in qualifying assets, revision of sliding-scale provision, and retention of 60 percent of income deduction for bad debt reserve allowance.

GEORGE L. BLISS, PRESIDENT, COUNCIL OF MUTUAL SAVINGS INSTITUTIONS

Reserve for losses on loans (p. 93 of committee print)

States that the provision in the House bill revising the reserve for losses on loans for mutual savings banks, savings and loan associations, etc., should be withdrawn and set aside for future study and hearings. Points out that the practical effect of this provision is to nearly double the tax payments required of thes mutual institutions, which they can meet only by either reducing the rate of interest-dividends paid on the accounts of their savings members, or by increasing the rate of interest charged to their borrowing members.

Indicates that the 6-percent ceiling in the reserve for losses on qualifying real property loans is completely unrealistic and should be increased to 10 percent and 5 percent in the case of a reserve for other losses. Notes that the Internal Revenue Code provides that any taxpayer may deduct authorized losses on a strict charge-off basis or by the reserve method, but that all mutual institution must use the reserve method.

States that it is not in the public interest that supervised financial institutions should be subject to inconsistent or conflicting requirements arising out of differing statutes under the jurisdiction of separate branches of Government.

Indicates that "tax equality" should be accompanied by "investment equality." States that these mutual institutions should have equality of investment opportunities in order to make available to them the more lucrative field available to the privately owned financial institutions.

States that the proposal made by the Treasury for financial institutions is a major change in course and warrants widespread study and consideration before legislative action.

Points out that present law does not differentiate between mutual institutions and the nonmutuals. Suggests that the definitions be revised in a manner which recognizes the distinctive character of all mutual savings institutions and accords them comparable tax status to that of other mutual or cooperative organizations.

C. R. MITCHELL, LEGISLATIVE CHAIRMAN, UNITED STATES SAVINGS AND LOAN LEAGUE

Savings and loan taxation (p. 103 of committee print)

Opposes the proposed revision in the 60–40 formula which enables savings and loan associations to set aside 60 percent of their income after expenses and interest payments to depositors into reserves and pay taxes on 40 percent of their net income. Maintains that the alternative Treasury "5-percent deduction" proposal would not lessen the effect of the changes in the House bill. Indicates that both proposals would have about the same practical effect except that the Treasury proposal would double savings and loan taxation over a 5-year phase-in period rather than the 10-year period provided in the House bill. Suggests that both proposals would equalize the effective tax rate for savings and loan associations and for commercial banks which is contrary to historic inducement for thrift institutions to invest in mortgages.

Contends that the 60–40 formula has produced anticipated tax revenues and has enabled savings and loan associations to perform their vital function of residential financing. Believes that a tax increase would add to mortgage costs, reduce the ability to attract savings and impair the reserve position for future growth.

Accepts the elimination of the alternative 3 percent of loan growth formula for computing allowable additions to the reserve for bad debts and the special tax treatment of capital gains and losses in connection with transactions in Government securities.

WILLLIAM J. M'KEEVER, PAST PRESIDENT, NATIONAL LEAGUE OF INSURED SAVINGS ASSOCIATIONS

Bad debt reserves of savings and loan associations (p. 123 of committee print)

States that savings and loan associations are basically subject to the same income taxes as other corporations, and that the only substantial difference in their tax treatment is that in computing their taxable income a more favorable bad debt reserve is allowed. Adds that this is "in recognition of the risks involved in long-term mortgages that constitute most of the investment portfolio of savings and loan associations."

Disagrees with the conclusion of the House committee report that present bad debt reserve provisions applicable to mutual thrift institutions are "unduly generous," and notes that the report also states that the bad reserve provisions were amended to provide assurance that significant tax will be paid by such institutions in most cases on their retained earnings. Believes this argument fails to recognize the "enormous difference" that exists between such associations and other types of corporations.

Suggests the House changes in the bad reserve provisions would absorb a significant amount of new funds that could otherwise go to the home mortgage market. Is of the opinion that the bill's proposal for a 10-year carryback and 5-year carryforward for losses is not an adequate alternative for the present reserve provisions.

FRANKLIN HARDINGE, JR., EXECUTIVE VICE PRESIDENT, CALIFORNIA SAVINGS AND LOAN LEAGUE

Bad debt reserves of savings and loan associations (p. 135 of committee print)

States that the House bill would increase the tax on savings and loan associations, as a percentage of taxable income, from 16.9 percent to 31 percent, while increasing the bank rate only from 23 percent to 27.5 percent—so that for the first time the rate on savings and loans would exceed that on banks.

Contends that the House proposals would accelerate the diversion of money away from family housing. Explains that such associations must place their money only in long-term loans on homes, and states that if they are taxed without regard to this factor they are unfairly taxed and as a consequence become non-competitive. Adds it is not proper to argue that a fair system of taxation can ignore the operational restrictions placed on savings and loan associations.

Believes the Treasury proposal for taxation of financial institutions is more realistic than the House bill. Points out that the 5 percent deduction for both banks and savings and loan associations suggested by the Treasury against interest income from residential mortgage loans recognizes the inherent limitations upon long-term loans as a form of investment.

If faced with the alternative of the House bill or the Treasury proposal, the California Savings and Loan League would support the Treasury proposal with important modifications.

TAX RELIEF AND TAX REFORM

Mr. HATFIELD. Mr. President, the Tax Reform Bill of 1969, now before the Committee on Finance, is one of the most important pieces of proposed legislation that the Senate will consider in the months ahead. The Finance Committee members are now evaluating the various facets of the tax reform bill.

I am committed to a program that coordinates tax relief and tax reform. Our constituents who pay their taxes without benefit of loopholes or lawyers should have their tax burdens lightened.

One aspect of the tax reform bill that troubles me is the effect on our colleges and universities that will come from the proposed 7-percent tax on foundations and alteration of treatment of gifts of appreciated property. I am studying this section carefully and I know that other Senators are doing so also.

The Washington Post of Sunday, September 14, 1969, did its readers a service when it discussed the tax reform bill in a way that is easy to understand. Because I know it will be of interest to all Senators, 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:

TAX RELIEF AND TAX REFORM

(By Frank C. Porter)

Chairman Russell B. Long (D-La.) of the Senate Finance Committee called the tax reform bill of 1969 "368 pages of bewildering complexity." To Edwin S. Cohen, the Assistant Secretary of the Treasury for tax policy, it was "the Attorneys' and Accountants' Relief Act of 1969"—a description he later regretted. By all odds, however, the bill is the most monumental effort to overhaul the country's income tax since it was enacted in 1913.

It has confounded Capitol Hill skeptics who never dreamed that an assault on entrenched tax privileges could get this far. But in terms of the grandiose hopes some had for it—hopes that Congress might somehow reverse the present drift in income taxation and move in the direction of the basic simplicity and equity of the original law—it doesn't come off.

"The actual result may be to introduce greater complexity and inequity into our tax laws," Rep. James B. Utt (R-Calif.) complained in a dissent at the time the House Ways and Means Committee reported out the bill in early August.

WARS HOT AND COLD

By contrast, the original 1913 law today seems almost too good to be true.

It was based on two simple premises: the need for revenue and ability to pay. It left untouched the incomes of not only the poor but also of the reasonably affluent. No tax was imposed on earnings up to $20,000—a fortune in those days. After that, there was a levy of only 1 per cent up to $50,000 and 2 per cent thereafter. (And yet at the time, there were screams from well-heeled Americans that the law was a Communist plot.)

Not until World War II did the income tax really dip into the middle-income brackets. Since it was everybody's war, nearly everybody should pay for it, the theory went, and Beardsley Ruml made collections practicable by devising the system of withholding a part of wages at the source.

If there were ever any hope after 1945 of returning to the good old days, it was shattered by continued high military expenditures for the cold war and for hostilities in Korea and Vietnam, on the one hand, and by rapidly growing social responsibilities assumed by the federal government on the other.

Meanwhile, the first sustained postwar inflation in history gradually increased inequities as the income tax finally caught up with the poor. In 1942, no tax was due for a family of four on income up to $2200, a modest but adequate living in those days. Today the cutoff for the same size family is $3000, a sum now well below the poverty line. In the interim, consumer prices have gone up 125 per cent.

Simultaneously, there were forces at work that made the progressivity in tax rates nearly self-defeating. The top rate was raised to a confiscatory 91 per cent under the demands of World War II financing and stayed there until cut to 70 per cent in 1964 (the 10 per cent surcharge has since raised it to 77 per cent).

The high rates sent wealthy persons scurrying for all kinds of tax shelters: capital gains, which are taxed at half the rates for ordinary income; municipal bond interest, which is not taxed at all; mineral depletion allowances; synthetic farm losses used to offset other income, and many others.

THE PRINCIPLE OF NEUTRALITY

Most experts believe firmly in the principle of tax neutrality—that different types of income should be treated the same and that taxation is primarily for the purpose of raising revenue, not implementing social policy. But such have been the political and lobbying pressures over the years that Congress has fashioned all sorts of tax incentives (or loopholes, depending on the point of view) to promote what it considers socially or economically desirable goals.

More often than not, the goals are perverted as the incentives are put to uses for which they were never intended. Depletion allowances originally were designed, for example, to encourage the industry to step up its exploration and assure the United States of a strategic supply of minerals. They were not intended as a shelter whereby an obstetrician could cut the tax on his $100,000 practice in half by investing in a wildcat well.

Rep. Wilbur D. Mills (D-Ark.), chairman of the House Ways and Means Committee, likes to cite the classic example of a tax privilege that got completely out of hand. The unlimited charitable deduction was enacted to benefit a single individual: a young heiress of the Philadelphia Drexel family who, having taken vows of poverty as a nun, wanted to give away all of her very considerable income. The unforeseen result is that today more than 100 wealthy Americans use the device, some to escape taxation altogether.

The effect of these cumulative preferences is that hardly any of the rich pay anything near the maximum rates for their bracket. Those with total annual incomes in excess of $1 million a year pay well under 30 percent in taxes, on average, in contrast to the 77 per cent actual rate.

The irony is that millionaires on balance pay a smaller share of their income in taxes than those of lesser wealth. Effective percentage rates of taxation, on average, rise through the first $100,000, then level off and decline gradually after the $200,000 mark.

For many years, the public was either only dimly aware of these inequities or stoically resigned to them. But since the early 1960s, there has been a growing popular restiveness fed by increasingly articulate protest—most notably "The Great Treasury Raid" by Philip M. Stern in 1964.

The swelling demand for tax reform was reflected in Congress. The Kennedy and Johnson administrations both acknowledged the need but put the legislators off on grounds that reform shouldn't be allowed to delay other urgently needed fiscal legislation, first to stimulate a flagging economy (the tax cut of 1964, for example), and then to cool it off (the surtax of 1968).

BARR'S DIRE PROPHECY

So great was the momentum for change, however, that it couldn't be stayed. On Jan. 17, just three days before President Nixon took office, outgoing Treasury Secretary Joseph W. Barr—who held office for only 18 days—ensured himself a niche in fiscal history by warning of "a taxpayers' revolt in this country if we don't do something" about loopholes for the wealthy.

Barr noted that 155 Americans with adjusted gross incomes of more than $200,000—25 of them with incomes that topped $1 million—filed returns for 1967 on which they paid not a penny in income taxes. It was anybody's guess how many other taxless persons with comparable incomes didn't even file returns. And these adjusted gross incomes didn't even take into account such exclusions as municipal bond interest and the untaxed portion of capital gains.

Although the statistics had been used before, Barr's dramatic presentation made both them and his warning of a taxpayer's revolt a rallying point for reformers. What had been largely a groundswell of suppressed resentment broke out in a wave of vehement advocacy.

The incoming Nixon administration was caught flatfooted. Tax reform had not been among its top priorities. Initiative shifted to Capitol Hill, where concerned legislators were becoming inundated by mail from irate constitutents protesting tax breaks for the rich.

Among the most concerned were Chairman Mills and Rep. John W. Byrnes (R-Wis.), ranking Republican on the Ways and Means Committee. They already had something to work with—a monumental four-volume, two-year study by Stanley S. Surrey, outgoing Assistant Treasury Secretary for tax policy in the Johnson administration, and his staff. Barr handed over the voluminous report to Treasury Secretary-designate David M. Kennedy the very day he made his prediction of a taxpayers' revolt.

In deference to the incoming administration, President Johnson took no stand on Surrey's comprehensive recommendations—although an impatient Congress, when it grudgingly enacted the 10 percent income tax surcharge in June of last year, had somewhat peevishly ordered Mr. Johnson to submit specific tax reform proposals by the end of 1968.

CORE OF THE BILL

The Surrey plan was the most sweeping blueprint for tax reform ever to come out of government and it remains the core of the bill presently before the Senate Finance Committee. Unless the measure is completely revamped in the Senate, which is unlikely, it thus forecloses the possibility that the Nixon administration can claim more than minority credit for whatever legislation ultimately goes on the statute books.

It called for a minimum income tax ensuring that no wealthy American can escape making some payment, a reduction of personal deductions in proportion to excluded income, tightening of the rules on contributions including elimination of the unlimited charitable education, restrictions on private foundations, increases in both the standard deduction and the minimum standard deduction, a maximum tax so that no one would have to pay more than 50 percent of his income to Uncle Sam, increased exemptions for the elderly, liberalized moving expense deductions, elimination of deductions for state gasoline taxes, the removal of multiple surtax exemptions for corporations, treatment of mineral production payments, as loans to curb tax avoidance, taxation of capital gains at death as well as other changes in estate taxation, and a number of other reforms.

With this to work with Mills on Feb. 18 began Ways and Means hearings. Some 600 witnesses were heard, the last of whom were Treasury Secretary Kennedy and Surrey's successor as Assistant Secretary for tax policy, Edwin S. Cohen. This was on April 22; it took that long for the Nixon administration to respond to the mounting challenge of tax reform.

Cohen, generally regarded today as among Mr. Nixon's more astute appointments, had put together the new Treasury's own package in the three brief weeks since his confirmation by the Senate. Mostly it consisted of adaptations of, or variations on, the Surrey proposals. But Cohen offered one particularly ingenious innovation: a low-income allowance that would remove substantially all the 2.1 million poor families still on the tax rolls, instead of only half as provided for by Surrey—and at considerably less cost.

Mills and other committee members were generally critical, however, of the Cohen plan as a watering down of the Surrey proposal. The new administration, for example, had omitted municipal bond interest and the untaxed portion of capital gains from the base for a minimum income tax. And it admitted that its proposals were incomplete; its interim package was recommended as a "first step" to be followed by a more comprehensive survey by Nov. 30 and further long-range proposals in 1970.

But Mills bespoke the impatience of Congress. "There is a momentum for change," he said. "I want us to move while this momentum exists and not after the taxpayer has forgotten what he paid on April 15."

MILLS KEEPS TO SCHEDULE

Immediately thereafter, Mills cut off the public hearings and the committee began a marathon series of almost daily sessions in executive session to fashion a comprehensive bill.

Mills amazed friends and foes alike, who had figured a gestation period of at least two years for such a massive piece of legislation, by adhering to his self-imposed schedule and reporting out a bill, guiding it through the Rules Committee and winning House passage all before the Aug. 13 congressional recess. During this time, the committee also disposed of a measure to extend the income tax surcharge a year (later cut back to six months by the Senate so that it could hold further extension as a hostage to ensure a strong reform bill).

Although the grist for what emerged from the House and now faces the Senate is basically Surrey's, the bill had a variety of architects: Mills and the other Ways and Means members, Cohen and his technicians from Treasury and a corps of knowledgeable attorneys and economists on the staff of the Joint Committee on Internal Revenue Taxation led by the indefatigable Laurence N. Woodworth.

(Woodworth, one of the most influential among the vast army of staff professionals who do much of the legislator's thinking for them, is in the difficult position of serving two strikingly different and often competitive masters, the unflappable and deliberative Mills and the volatile and unpredictable Long.)

The House bill would affect all of the 75 million or so Americans who file income tax returns—most of them significantly—as well as all corporate taxpayers. As Long noted at the start of the Senate hearings, it involves $18 billion in revenue: $8 billion in tax increases and $10 billion in tax cuts.

While drawn largely within the Surrey frameworks, it incorporates a liberalized ver-

sion of Cohen's low-income allowance and two important features recommended by neither Surrey nor Long: a substantial reduction in the mineral depletion allowance and a $4.5 billion cut in individual tax rates.

The 368-page bill will lengthen the Internal Revenue Code by a third, according to some sources, and will definitely make it more complicated, prompting Cohen's crack about the Attorneys' and Accountants' Relief Act of 1969.

But Cohen and Kennedy insist it will simplify it for the great bulk of lower-income Americans. The House version would eliminate taxation entirely for six million who now file returns and cause another eight million to switch from itemizing deductions to the far simpler standard deduction (nearly half of all taxpayers now itemize).

They concede that present tax preferences are made more complicated by the bill. But these are enjoyed almost exclusively by wealthy persons who already hire accountants and lawyers to compute their taxes, they point out.

The rate cut is part of a generous tax relief package rushed through the committee on the last day of deliberations and expanded even further after objections by liberal Democrats and the AFL–CIO that it discriminated against millions of moderate-income taxpayers, Over the protests of those who felt rate cuts had no place in a reform measure and hoped that the bill would show a net gain in revenues (or at least a balance) the tax relief goodies were tacked on not only to redress structural inequities but to make the measure harder to vote against.

INDIVIDUALS VERSUS CORPORATIONS

The net effect is what supporters call a blow for tax justice and what opponents would label class legislation.

The bill provides tax relief for individuals—mostly in the low- and middle-income brackets—of $7.3 billion when fully implemented. This is substantially offset by $4.9 billion in higher corporate taxes—about half of which would come through repeal of the 7 per cent investment tax credit—leaving an ultimate revenue loss of $2.4 billion a year.

None of the above computations include revenue effects of the end of the income tax surcharge, which the bill would extend at a reduced 5 per cent rate through next June 30. When completely phased out, this would mean a further tax reduction from present levels of more than $9 billion annually, nearly 70 per cent of this for individuals.

After the recess and Labor Day, Kennedy and Cohen were back on Capitol Hill again, this time to lay a counterproposal before Long's committee, which is pledged to report its own version out to the Senate floor by October 31.

While approving much of the House bill, the counterproposal would temper the redistribution of the tax burden from individuals to business. It would reduce personal tax relief from $7.3 billion to $4.8 billion and cutback the increase in corporate taxes from $4.9 billion to $3.5 billion (largely by an offsetting cut in the corporate income tax rate of two percentage points).

Surprisingly, the administration backed the depletion allowance cut (despite Mr. Nixon's campaign pledges to maintain it intact) and even recommended tougher tax treatment of the oil industry. In other areas, however, it sought to soften some of the impact of the House bill. It opposed, for example, significant tightening up on capital gains treatment.

Following is a section by section explanation of the House bill with comparisons, where appropriate, with the Surrey plan, the Cohen plan and the current Treasury proposal. The tax relief provisions are treated first as of most interest to a majority of taxpayers.

TAX RELIEF

Rate cuts

The rate cuts would range from a reduction from 14 to 13 per cent in the lowest bracket and from 70 to 65 per cent in the highest, in two equal steps effective in 1971 and 1972. They are designed, when combined with other measures in the bill, to provide at least a 5 per cent reduction in tax liability for all individuals with incomes under $100,000.

For those in the lowest bracket, however, the reduction would be much greater than 5 per cent. And although the top rate would be cut by nearly 8 per cent, high-income individuals would actually pay higher taxes because of loophole limitations elsewhere in the bill.

The following gives the proposed rate changes by income brackets for single taxpayers without giving effect to the present surtax (for joint returns, the rate would apply to double the amount of income):

Taxable income (in thousands of dollars)	Present rate	1971 rate	1972 rate
0 to 0.5	14	13½	13
0.5 to 1	15	14½	14
1 to 1.5	16	15½	15
1.5 to 2	17	16½	16
2 to 4	19	18½	18
4 to 6	22	21½	21
6 to 8	25	24	23
8 to 10	28	27½	27
10 to 12	32	31	30
12 to 14	36	35	34
14 to 16	39	38	37
16 to 18	42	41	40
18 to 20	45	43½	42
20 to 22	48	46	44
22 to 26	50	48½	47
26 to 32	53	51	49
32 to 38	55	52½	50
38 to 44	58	55	52
44 to 50	60	57	54
50 to 60	62	60	58
60 to 70	64	62	60
70 to 80	66	63	60
80 to 90	68	64½	61
90 to 100	69	65	61
100 to 120	70	66	62
120 to 150	70	66½	63
150 to 200	70	67	64
Over 200	70	67½	65

Ways and Means originally left the five lowest rates, ranging from 14 to 19 per cent, untouched on the theory that taxpayers in those brackets would realize sufficient relief from the low-income allowance and a higher standard deduction. But protesters led by Rep. Richard Bolling (D-Mo.) and Nat Goldfinger, research director for the AFL–CIO, pointed out that millions of Americans with gross incomes from $7,000 to $13,000 who itemize their deductions would receive no benefit at all. After the bill had already been reported out, the committee hurriedly amended it by cutting a percentage point off the five lowest brackets and increasing the reduction in two higher ones that otherwise would not have provided a 5 percent cut.

When fully implemented in 1972, the rate cuts would result in a $4.5 billion loss to the Treasury at present levels of revenue. This is a bit more than double the loss from the committee's earlier version.

Neither the Surrey nor Cohen plans offered a general rate cut. But in its counterproposal before the Senate, the Nixon administration endorsed the reduction because "it provides such even-handed nondiscriminatory relief."

Low-income allowance

The bill in effect raises the minimum standard deduction to a flat $1,100 from the present formula of $200 plus $100 for each family member. The sum of this $1,100 and the $600 exemption for a taxpayer and each dependent approximates the Federal poverty standard for each family size. These levels, as updated by Treasury from earlier Department of Health, Education, and Welfare guidelines, are:

Family size:	*Annual income*
1	$1,735
2	2,240
3	2,755
4	3,535
5	4,165
6	4,675
7 or more	5,755

The result would be to remove practically all of an estimated 2.2 million poor families remaining on the tax rolls and end taxation for a total of six million Americans.

Since combined excmptions and low-income allowance fall a few dollars short of the poverty standard in a few instances, a relative handful of poor people would still have to pay tax but it would be minimal.

The provisions would benefit not only the poor. Since the minimum standard deduction is available to all those who don't itemize deductions, it would benefit anyone in this category with taxable income up to $11,000 (under the present 10 per cent standard deduction).

The revenue loss would be nearly $2.7 billion a year.

The Surrey plan recommended that the minimum standard deduction be raised to $600 plus $100 for each exemption subject to the present overall limit of $1,000. This would have removed 1.2 million of the 2.2 million poor families from the tax rolls, lightened the load for the remaining 1 million and provided some relief for many moderate-income Americans. The revenue loss would be $11 billion.

The Cohen plan sought to zero in directly on low-income groups at lower cost, since Cohen looked on the Surrey plan as somewhat too scattershot an approach. Lying awake wrestling with the problem late one night, the former University of Virginia law professor hit on the $1,100 low-income allowance now contained in the House bill. He then devised a phaseout under which the allowance would be reduced by $1 for every $2 earned above the poverty level. A family of four making $4.035 a year would have its allowance reduced from $1,100 to $850, a reduction of $250 or half the amount that income exceeded the poverty level of $3,535. Although it would end taxation for virtually all the remaining 2.2 million poor families, the formula would concentrate the bulk of its relief on persons with incomes under $5,000. The revenue loss would be $625 million.

The current Treasury proposal would mitigate the high cost of the House plan by restoring the phaseout but at a stretched out rate of a $1 reduction in the allowance for every $4 earned over the poverty level. The revenue loss would be $920 million, more than $1.7 billion cheaper than the House bill.

Standard deduction

When the standard deduction (10 per cent of adjusted gross income up to a limit of $1,000) was introduced in 1944, more than four out of every five taxpayers used it. Rising incomes, medical expenses, housing costs, interest rates, state and local taxes and the like have made it advantageous for increasing numbers to itemize their deductions so that an estimated 42 per cent now do so, greatly complicating the chore of making out returns.

The House bill would raise the standard deduction to 13 percent with a $1,400 ceiling in 1970, to 14 percent with a $1,700 ceiling in 1971 and to 15 per cent with a $2,000 ceiling in 1972.

Ways and Means estimates that the effect would be a 3 per cent tax cut average over all returns ranging as high as 6.3 per cent in the $3,000 to $5,000 class. It would induce an estimated 8.4 million persons who now itemize deductions to switch to the standard deduction and would benefit nearly 34 million taxpayers, or more than half of total

returns. The revenue loss would be $1.4 billion when fully implemented.

The Surrey plan proposed a smaller increase—to 14 per cent with a $1,800 ceiling. But it estimated the same revenue loss, $1.4 billion, probably because it foresaw 80 per cent of all taxpayers, rather than the 70 per cent predicted in the House version, as using the new standard deduction.

The Cohen plan made no recommendation on the standard deduction.

The current Treasury proposal would limit the increase to 12 per cent, with a ceiling of $1,400 for an estimated revenue loss of $770 million.

Widows, widowers, and single persons

Under present law, married couples pay far lower taxes than others because the law enables them to split their income and take advantage of lower tax brackets. Widows, widowers and certain other single persons with dependents are taxed at head-of-household rates midway between those for single and married persons.

The House bill would extend head-of-household treatment to all widows, widowers and those single persons over 35. Single persons under 35 would still be taxed at present rates. Widows and widowers with dependent children would be permitted to pay the married rate as if their spouses were still living. The revenue loss would be $650 million.

Neither the Cohen nor Surrey plans contained provisions in this area, although the latter did propose to liberalize tax treatment of the elderly by eliminating the complex retirement income credit and special exemptions in the current law in favor of a flat $2,500 exemption for single persons over 65 and $4,200 for couples where both are over that age. Neither the House bill nor the current Treasury proposal deals with the elderly.

The current Treasury proposal admits the inequity in present rates for single persons but claims that the over-35 provision is too arbitrary. Instead, it proposes a new schedule for single persons regardless of age that would not exceed 20 per cent more than the rate for married persons (single persons now pay an average of about 40 per cent more in the middle brackets).

It would leave undisturbed the present head-of-household provisions and rates for persons maintaining a home for the support of dependents, thus denying joint return treatment for widows or widowers with children except for the presently provided two-year period. The revenue loss of the Treasury proposal would be $445 million.

The following compares Treasury's proposed tax schedule for single persons with present rates (current surtax not included):

Taxable income (thousands of dollars)	Present rate (percent)	Proposed rate (percent)
1st 0.5	14	13
0.5 to 1	15	14
1 to 1.5	16	15
1.5 to 2	17	16
2 to 4	19	18
4 to 6	22	20
6 to 8	25	22
8 to 10	28	24
10 to 12	32	26
12 to 14	36	28
14 to 16	39	30
16 to 18	42	32
18 to 20	45	34
20 to 22	48	35
22 to 26	50	37
26 to 32	53	42
32 to 38	55	47
38 to 44	58	52
44 to 50	60	54
50 to 60	62	58
60 to 70	64	60
70 to 80	66	60
80 to 90	68	61
90 to 100	69	61
100 to 120	70	62
120 to 150	70	63
150 to 200	70	64
Over 200	70	65

These rates are identical to those under the House bill's general cut on taxable incomes under $4,000 and over $38,000. In between, however, the single rates proposed by Treasury are considerably lower.

Maximum tax

The house bill would fix a tax ceiling of 50 per cent on earned income—mainly wages, salaries and professional fees as opposed to capital gains, dividends and the like.

The main purpose would be to reduce the incentive for using tax loopholes—particularly the conversion of ordinary income to capital gains, which are generally taxed at half the rate of the former. This should "reduce the time and effort devoted to 'tax planning' at the expense of pursuing normal business operations," the committee reported. "This redirection of effort will contribute to maintaining the integrity of our tax system and discourage developments which would undermine the reforms in your committee's bill."

The provision would result in a revenue loss estimated at $200 million in 1970, declining to $100 million in 1972 and subsequent years.

The Surrey plan recommended an alternative maximum tax of 50 per cent on total income, including income presently excluded from taxation such as municipal bond interest, half of capital gains and the like. This was widely regarded as a potential first step in the evolution of a simplified tax structure urged by Sen. Long and Mortimer M. Caplin, former Commissioner of Internal Revenue. Such a system would tax all types of income equally, eliminate present exclusions and credits, drastically reduce or eliminate deductions and exemptions, thereby broaden the tax base and make possible a sharp reduction in rates. The revenue loss from the Surrey proposal was was put at $205 million a year.

The Cohen plan made no recommendations for a maximum tax.

The current Treasury proposal, however, strongly endorses the House provision although Sen. Albert Gore (D-Tenn.) told Kennedy and Cohen, "I will fight you on this," claiming it would make a shambles of the progressivity principle of taxation.

Withholding and reporting

The House bill would incorporate the various rate reductions, the low-income allowance and changes in the standard deduction, as they become effective, in tax withholding tables so that payroll deductions should keep pace with the relief provisions.

But the bill makes no change in the present statutory requirement that individuals with gross income of more than $600 a year ($1,200 in the case of a person over 65) must file a return. This means that some six million Americans who owe no tax would still have to file.

The current Treasury proposal urges that filing requirements be raised to the new nontaxable levels ($1,700 for a single person) so that the six million will be spared the trouble.

State gasoline taxes

The current Treasury proposal advocates repeal of the deductibility of state gasoline taxes on grounds that these are user charges for highway facilities and their deduction shifts part of the burden from those who itemize to those who don't. As a small offset to the tax relief granted individuals, repeal would add $390 million to revenues and cost the taxpayer who itemizes an average $10 to $15.

The Surrey plan made the same recommendation but it is not in the House bill.

Corporate rate cuts

The house bill makes no provision for reduction in corporate tax rates nor were they suggested in either the Surrey or Cohen plans.

The current Treasury proposal, however, would cut the corporate rate by one percentage point in 1971 and another in 1972. The present rate of 52.8 per cent will fall to 49.2 per cent in January if the surcharge is extended at 5 per cent through June and then to 48 per cent when the surcharge is phased out. Under the Treasury proposal, it would be reduced further to 47 per cent in 1971 and to 46 per cent in 1972. The revenue loss would be $800 million in the first year and $1.6 billion thereafter.

Treasury argues that the corporate cut is needed as "an important offset to the provisions of the bill withdrawing incentives to investment, such as the repeal of the investment credit." The cut would recoup nearly half the estimated $3.3 billion lost to business if the credit is repealed.

It is unlikely that the Treasury would have asked for the corporate cut had the $7.3 billion relief package for individuals voted by the House not been so large. Secretary Kennedy complained to the Senate Finance Committee of "the bias in the bill against investment in favor of consumption" and warned that such "overweighting" could impede the nation's economic growth by discouraging productive investment.

Tax relief examples

Effects of the tax relief package would vary greatly for different persons with different incomes in different circumstances. But a few examples will indicate the general impact.

A family of four with $3,500 income a year presently pays $77 in taxes ($70 without the surtax). The low-income allowance would eliminate the tax altogether.

A family of four with income of $10,000 that uses the standard deduction now has a tax of $1,225. When the surtax is completely phased out, the tax bite would be reduced to $1,114. Application of the full rate decreased in 1971 and 1972 would bring it down to $1,048. With the higher standard deduction fully implemented, the family could deduct $1,500 instead of the present limit of $1,000. This would cut the tax further to $958—a total reduction under the House bill of 22 per cent from the present surtax level and 14 per cent from the presurtax level.

Under the House bill, she could not * * * same family would have its ultimately reduced to $1,012—17 per cent down from the surtax level and 9.2 per cent below the level before the surtax went on.

A family of four with a $20,000 income and itemized deductions of 20 per cent would fare the same under both the House bill and Treasury plan—an ultimate reduction of 14 per cent from the potential 1969 tax bite of $2,926 to $2,508, or a cut of 5.7 per cent from present liability without taking the surtax into account.

A Capitol Hill secretary, 30 and single, makes $15,000 a year and itemizes deductions equal to 10 per cent of income, or $1,500. Her 1969 tax would be $3,469, or $3,154 without the surtax.

Under the House bill, she could not make use of the head-of-household rates since she is under 35. But it would be to her advantage to switch to the standard deduction when fully implemented, allowing her the maximum $2,000.

This combined with the full general rate cut effective in 1972 would give her a tax of $2,790. This would be a saving of 20 percent from her present surtax-adjusted return and of 12 per cent from her present tax computed without the surtax.

Under the Treasury proposal, the standard deduction wouldn't be raised high enough to do her any good, so she would continue to take $1,500 in itemized deductions. But the Treasury's reduced schedule for single persons would reduce her tax bill a bit fur-

ther than the House bill would—to $2,742. This would be 21 per cent under the present surtax level and 13 per cent less than present liability without the surtax.

TAX REFORMS

Minimum income tax

The most important reform—at least symbolically—is the minimum income tax, or "limit on tax preferences" (LTP), supported in some form or another in all four plans.

The theory behind it is that various tax preferences are so embedded in the tax code and so well protected by influential interests and their friends in Congress (many of whom are honestly convinced that the preferences serve the national interest) that a frontal assault on the preferences themselves would be insufficient to cut off tax escape routes.

Under the limit on tax preferences, the bulk of these preferences and exclusions would be lumped together and the individual required to pay tax on at least half of his total economic income, including the preferences.

The House bill would tax at ordinary rates half the amount of otherwise excludable income that exceeds a person's taxable income, provided that these exclusions total more than $10,000. Thus if an individual received $50,000 a year in salary and $150,000 in sheltered income, his tax would be levied on $100,000 rather than on $50,000 as in present law.

The tax preferences to be included in these computations include:

The tax-exempt interest on state and municipal bonds (to be phased in over 10 years; one-tenth the first year, etc.).

The one-half of capital gains otherwise excluded from income.

Appreciation in value of property given to charity.

The excess of accelerated depreciation on real estate over straightline depreciation.

Farm losses to the extent they exceed what would have been the loss under inventory accounting and "capitalized capital expenditures."

That this provision would strike only a glancing blow at tax privilege is manifest from the small amount of added revenue expected of it: some $40 million in the first year and $85 million when it is fully effective.

But Chairman Mills assured the House that to the best of the committee's knowledge, the limit on tax preferences, taken along with other provisions, should prevent any wealthy American from continuing to escape taxation altogether.

Some doubts were raised on this score by the failure of Ways and Means to include mineral depreciation allowances and intangible drilling costs in the limit on tax prefences. (The committee felt it had hit mineral industries hard enough by trimming depletion.) Wouldn't it be possible, it was asked, to escape taxation altogether by utilizing these two shelters? This raises the question of whether all preferences have to be included; otherwise, wealth will almost certainly be channeled into those sanctuaries that remain.

The Surrey plan, which first articulated the principle of a limit on tax preferences, included bond interest, capital gains, appreciation of donated property and the depletion allowances that were left out of the House bill. Surrey was later to testify that excess real estate depreciation should be included as possibly the biggest tax escape route after capital gains.

The Cohen plan covered appreciation of donated property, mineral depletion and drilling expenses, excessive farm losses and excess real estate depreciation. But it omitted two key areas from the limit on tax preferences: untaxed capital gains and municipal bond interest.

The current Treasury proposal presses for deletion of the latter. As for inclusion of untaxed capital gains, Cohen argued it "generally has no operative effect" because the purpose of the limit is to ensure that excluded income doesn't exceed half of total income and half of capital gains is already taxed.

Under questioning, Secretary Kennedy conceded that excepting tax-free bond interest from the limit on tax preferences would still permit the rich to avoid taxation completely by putting all their wealth in such bonds. (Internal Revenue files are replete with cases in which Americans have done just that). But, said Kennedy, this drawback is outweighed by grave questions about the constitutionality of taxing municipals and by the disruption it might cause the bond market.

Treasury also asked deletion of gifts of appreciated property (although Cohen had included it earlier) on grounds that it would unduly restrict public support of charities. It reaffirmed its recommendation for coverage under the limit on tax preferences of mineral depletion and intangible drilling costs (except in the case of the latter, for those whose primary business is oil and gas exploration as opposed to investors) and urged inclusion of three smaller items.

Allocation of deductions

Although not as symbolically arresting as the concept of a minimum income tax, the provision on allocation of deductions—also first proposed formally by Surrey—would add many times the revenue.

The House bill would allocate portions of personal deductions between taxable and excluded income and in proportion to them. In other words, these deductions would be reduced by the ratio of excluded to total income. The same five preferences listed under the limit on tax preferences would be used to compute the allocation plus mineral depletion and intangible drilling expenses. The minimum income tax would be figured first, then the allocation of deductions would be applied in the ratio of taxable to total income as modified by the limit on tax preferences.

By way of example, a taxpayer receives $50,000 in salary, which is his adusted gross income, and $150,000 in tax-free municipal bond interest. He has $50,000 in deductions—which completely offsets his adusted gross income. Taus, he pays no tax under present law.

Applying the limit on tax preferences, his adjusted gross income would be half his total income, or $100,000. His $50,000 in deductions would be allocated—half to the $100,000 in adjusted gross income, the other half to the $100,000 in remaining tax preference. Thus half his deductions would be disallowed and the remaining $25,000 subtracted from adjusted gross income. Thus, under the House bill, $75,000 would be subject to tax.

This provision would raise $460 million when fully implemented.

Capital gains

In addition to the limitation and allocation provisions relating to tax preferences in the aggregate, all four plans seek to whittle down the individual preferences themselves.

The House bill would lengthen from six months to a year the holding period required for the favored tax treatment of capital gains. These currently are taxed at half of ordinary rates, up to a ceiling of 25 per cent. The bill would also do away with the ceiling, thereby permitting a maximum rate of 38½ per cent under present ordinary rates plus surcharge, 35 percent when the surcharge is removed and 32½ per cent after the proposed rate cuts are fully effective. The lengthened holding period would increase revenues by $100 million in 1970 and by $150 million subsequently. Elimination of the 25 per cent ceiling, also called the alternative capital gains tax, would yield an estimated $360 million.

Since only half of capital gains are taxed, the House bill would provide symmetry by requiring that only half of net capital losses can be deducted from ordinary income instead of the full amount now permitted. It would continue the present $1,000 limitation on such deductions and the carryover of unused losses into future years. This would add $50 million revenue, increasing to $65 million in 10 years.

Lump-sum distributions from qualified pension, profit-sharing, stock-bonus and annuity plans are presently taxed at capital gains rates. The bill would limit this treatment to appreciation—the excess of the distribution over the contributions made by the employer. The amount represented by the employer's contributions would be taxed at ordinary income rates. This would raise an estimated $50 million annually after a decade. The bill would extend the ordinary income tax treatment on the sale of books, musical compositions or artistic works by their creator to gains from letters, state papers and the like by those whose personal efforts created them or by the person who received the property as a gift. These now receive capital gains treatment.

The House bill would also raise the capital gains tax for corporations from the present 25 per cent to 30 per cent. Added revenue is estimated at $80 million beginning in 1973.

The current Treasury proposal opposes lengthening the capital gains holding period and elimination of the 25 per cent ceiling, except in certain cases of extraordinary gains.

Natural resources

The House bill would cut the present 27½ per cent depletion allowance for oil and gas wells to 20 per cent and make proportionate reductions in lesser allowances for nearly 100 other minerals. Five metals considered in short domestic supply—gold, silver, oil shale, copper and iron ore—would be kept at their present 15 per cent level.

This is perhaps the most emotionally explosive issue in the bill, stirring great opposition from mineral industries. Of the some 30 votes cast against the bill in the House, the great majority came from representatives of primary oil- and gas-producing states.

Although President Nixon had assured the industry during last fall's campaign that he would seek to keep the oil depletion allowance intact, the administration backs the House provision to cut it and otherwise has suggested tougher tax treatment of the industry than Ways and Means, which has insisted that the industry assume a greater share of the country's tax burden.

Under the oil depletion allowance, 27½ per cent of the gross income can be deducted from the net income before computation of taxes, provided it does not exceed 50 per cent of net income.

The House bill would also end completely the allowance on foreign oil and gas production of American companies.

Ways and Means estimated that the depletion changes will produce $425 million more in taxes in 1970 and $410 million in 1971, with $10 million of the latter attributable to the end of the overseas allowance. (As much as $90 million could be anticipated, the committee said, were it not for unused tax credits and the expectation that foreign governments will raise U.S. firm's taxes, which can be credited against tax liabilities at home.)

The House also acted to curb so-called carved-out and ABC mineral production payments. These are complex devices, similar in effect to mortgages, whereby producers evade the intent of the 50 per cent limitation on depletion allowances, generate synthetic loss carryovers, repay what are essentially loans with before-tax dollars and otherwise minimize taxes by juggling income and expenses among different years.

The bill seeks to halt the practices by treating these transactions as loans. The revenue increase is estimated at $100 million next year, increasing to $200 million by 1979.

Depreciation by public utilities

The House, with support of the Treasury, would require gas and oil pipeline, telephone, gas and electric utility, water and sewage disposal companies henceforth to depreciate new properties by the straight-line method with limited exceptions. This is designed to halt a growing trend toward accelerated depreciation, often encouraged by state regulatory bodies, which Ways and Means estimates could ultimately cost as much as $1.5 billion annually in lost federal revenues.

Depreciation of real estate

Profitable real estate is frequently depreciated at an accelerated rate, producing paper losses as an offset to ordinary income, and then sold at a gain over the depreciated basis with the gain taxed at the lower capital gains rates. Thus taxes are minimized by, in effect, converting ordinary income into capital gains.

The House bill would permit double depreciation only on new residential construction, as a spur to flagging activity in low- and moderate-income housing. Other new construction would be limited to the 150 per cent declining balance method presently permitted for used property, which henceforward would be eligible only for straight-line depreciation under the bill. Rapid five-year depreciation of improvements to low-income housing is offered to encourage upgrading of slum neighborhoods.

The House also tightened up on present recapture rules, whereby the gain on the sale of property is taxed at ordinary rates to the extent that accelerated depreciation exceeds straight-line depreciation. It repealed a phaseout provision that gradually eliminates recapture over 10 years.

The current Treasury proposal hails this section as "a major advance."

These changes would produce an estimated $710 million revenue gain by 1974, partially offset by a $200 million loss on fast depreciation for low-income housing rehabilitation.

Charitable contributions

The House bill increases the present 30 per cent limit on deductions for charitable contributions to 50 per cent of adjusted gross income and gradually eliminates the present unlimited deduction, available to a limited number of wealthy persons whose combined taxes and contributions have totaled 90 per cent of income in eight out of the last 10 years.

In most cases, donors are presently able to deduct the full appreciated value of gifts of securities or tangible property, whereas if they had sold the property they would have had to pay a tax on the difference between the cost to them and the selling price.

The bill would continue this procedure for some gifts. But for others, it would require the donor either to deduct only the original cost of the gift or take the full deduction and include the amount of appreciation in his income.

This rule would apply to gifts (a) to private foundations as opposed to private "operating" foundations (actually engaged in charitable work) and public charities; (b) of property the sale of which would have resulted in ordinary income rather than capital gains; (c) of tangible personal property, such as works of art, as opposed to securities, and (d) of future interest in property.

In addition, there are a number of technical provisions largely governing gifts through estates and trusts. Altogether, the changes would add $5 million of revenues in 1970 and $20 million by 1974.

Foundations

The House bill includes a number of provisions which stemmed from Johnson administration studies prior to the Surrey plan and which received general support from the Nixon administration.

These prohibit self-dealing between private foundations and substantial contributors, require distribution of income or 5 per cent of their asset value (whichever is greater) on a current basis, order phased limitation of a foundation's interest in or divestiture of a business it controls and provide graduated financial sanctions for violations rather than simple revocation of tax-exempt status as at present.

Cohen testified that the provisions "will tend to ensure that (foundations') property is devoted solely to charitable purposes. Private foundations will thus become even more useful as a flexible source of support for achievement of new levels of thought and action, relieving the burdens of government."

The foundations themselves, however, have hotly protested other provisions, which they claim will stifle "new levels of thought and action" rather than encourage them.

The measure tightens up on political activity and prohibits grassroots lobbying. Particularly offensive to the foundations is the bar to "any attempt to influence legislation through an attempt to affect the opinion of the general public or any segment thereof." The foundations claim this would practically put out of business foundations such as Washington's Brookings Institution, whose deep involvement in political, economic and sociological research cannot help but have a bearing on legislative decisions.

On the other hand, the Ways and Means report accompanying the bill assures that "the prohibition on propagandizing or otherwise attempting to influence legislation does permit making available the results of nonpartisan analysis or research."

The Treasury did protest as unjustified a House provision levying a 7½ per cent tax on the investment income of foundations—the first in history. Instead it recommended a 2 per cent "supervisory charge" to finance tightened government audits and regulation of foundations.

The House bill would ultimately pick up an estimated $100 million through its foundation provisions, while the Treasury proposal would provide $25 million.

Other exempt organizations

The House bill generally adopted a broad range of proposals included in the Cohen plan.

Present law that taxes the income of certain organizations from direct operation of a business in competition with tax-paying firms would be extended to churches and other groups. The investment income of social clubs and similar groups would now be taxed. To discourage borrowing by an exempt organization to purchase income-producing assets, the income from those assets would be taxed. Also subject to tax would be rents, interest and royalties from controlled subsidiaries of an exempt organization—this to discourage avoidance of the unrelated business tax. These various measures would raise about $20 million annually.

Farm losses

With the intent of helping small farmers, the government now sanctions the deduction of "losses" in a single year which under normal accounting would be considered capital expenditures to be amortized over a period of years—expenses of raising livestock or orange groves, for example.

But wealthy persons have used such "losses" from sideline farming to reduce taxable income from other sources. When the assets responsible for the losses are later sold, the profit is then taxed at lower capital gain rates.

The House bill would not disallow such losses but require them to be recorded in an "excess deduction account." The amount of capital gains from the later sale of assets equal to this excess account would be taxed at higher ordinary income rates.

The provision would apply only to those with nonfarm income of more than $50,000, and they could exclude up to $25,000 of farm losses from the excess account. It would add $20 million to revenues while stricter limitations proposed by Treasury would produce $50 million.

State and municipal bonds

The House bill would not tax the presently exempt interest of state and municipal bonds directly. Instead, it would seek to discourage what has become a notorious tax loophole by encouraging these political jurisdictions to issue taxable bonds.

Since their present nontaxable feature enables them to be sold at a far lower rate of interest and thus at a substantially lower cost to states and cities, the federal government would make up the difference by paying the issuing jurisdictions an interest subsidy ranging from 25 to 40 per cent of the yeld. The subsidy would be offset by increased federal taxes on the interest from these bonds, and it is predicted that revenue would be unaffected.

Income averaging

The House bill would liberalize a present law that permits a person to mitigate the effects of a sudden surge in income by averaging his income over five years for tax purposes when income in the latest year is 33⅓ per cent or more above the average. The eligibility requirement would be reduced to 20 per cent above the average and unearned income previously excluded from the computation-capital gains, gifts and the like—would be allowed. Supported strongly by Treasury, the change would result in a $300 million revenue loss.

Financial institutions

The House bill adopts a series of complex formulas to help equalize the tax burden among commercial banks, mutual savings banks and savings and loan associations, and to bring the effective tax rate of all three up closer to that paid by other business.

Corporations as a whole pay roughly 44 per cent federal tax on their total net income. In 1966, commercial banks paid 23.2 per cent on average, mutual banks 6.1 per cent and savings and loans 16.9 per cent.

Commercial bank taxes would be raised by reducing gradually the present bad-debt reserve of 2.4 per cent of outstanding loans, based in part on Depression experience, to the far lower level of actual loss experience. For mutual banks, the special deduction of 3 per cent of increases in real estate loans would be repealed and the alternative deduction of 60 per cent of taxable income, which would also apply to savings and loans, would be phased down to 30 per cent.

The current Treasury proposal also suggests a sweetener: an added deduction equal to 5 per cent of the interest from socially desirable loans, such as those for housing and college educations, as an incentive to make such loans. The House bill would ultimately raise $460 million more in revenues, the Treasury proposal $410 million.

Multiple corporations

As a benefit to small business, corporations presently are taxed 22 per cent on their first $25,000 of taxable income (commonly called the surtax exemption) and 48 per cent (not including the income tax surcharge) on income above that.

But big business has taken advantage of the lower rate through the device of claiming a surtax exemption for each of a "controlled group" of corporations that represent a single enterprise.

The House bill would reduce the number of surtax exemptions to one for each controlled group over an eight-year period for an ultimate revenue gain of $235 million.

Corporate mergers

The House bill provides several limitations on the financing of mergers, particularly in

the formation of conglomerates. The most important would disallow the deduction of more than $5 million in interest payments on debt instruments used to acquire a company when they have equity (stock) characteristics such as their convertibility into stock. (Bonds are often favored for acquisition purposes because the interest payments on them are deductible as a business expense while cash dividends to stockholders come out of after-tax earnings.)

Interest deductions

The House bill would disallow as personal deductions interest in excess of $25,000 on loans to buy investment assets to the extent that it exceeds investment income and capital gains. The revenue gain would be $20 million.

The current Treasury proposal acknowledges the abuse of unlimited interest deductions against ordinary income as a part of acquiring investments on credit. But it argues that the House provision discriminates against earned income and counsels further study.

Moving expenses

The House bill extends personal deductions for moving expenses to three new areas—househunting trips, temporary living quarters at the new site and expenses involved in selling or buying a house. These are subject to an overall limitation of $2500. This section would result in a $100 million revenue loss.

Miscellaneous reforms

The House bill also contains provisions, mostly technical in nature, tightening the tax treatment of restricted stock plans and other deferred compensation, accumulation trusts, stock dividends that increase the recipient's equity in a company in relation to other stockholders, foreign tax credits and cooperatives.

OTHER FISCAL PROGRAMS

Tax surcharge

The House bill would extend the income tax surcharge, presently 10 per cent and due to expire Dec. 31, at a reduced 5 per cent rate through June 30.

Extension of the surcharge through June would cost taxpayers $3.1 billion more than if it expired Dec. 31.

This was part of a fiscal package passed by the House and shelved by the Senate on the demand of its leadership that tax reform be considered simultaneously. When the Senate failed to act—although it did extend the surcharge for six months—Ways and Means inserted the rest of the package in the reform bill. The following items were also part of the package.

Investment credit

The 7 per cent investment credit would be repealed outright for projects begun after last April 18, for an ultimate revenue gain of $3.3 billion. Ways and Means concluded that the stimulus to investment provided by the credit, which permits 7 per cent of the cost of new equipment to be deducted directly from income taxes owed, was actually contributing to the present inflation.

Excise taxes

The bill would postpone for a year a reduction in the auto excise tax from 7 to 5 per cent and the telephone excise from 10 to 5 per cent now scheduled to take effect Dec. 31. The postponement would add an estimated $540 million to revenues in the present fiscal year and $1.07 billion in fiscal 1971.

Amortization

Also included in the package appended to the reform bill are incentives that would permit rapid amortization of pollution control facilities and railroad rolling stock, of which there is a perennial shortage. The provisions are intended to offset, at least partially, the loss of the investment credit in these two areas.

THE 350TH ANNIVERSARY OF FIRST LANDING OF NEGROES AT JAMESTOWN, VA.

Mr. BYRD of Virginia. Mr. President, I invite the attention of the Senate to the fact that on Sunday, September 21, the 350th anniversary of the first landing of Negroes at Jamestown will be commemorated at Jamestown Festival Park in Virginia.

The committee directing the observance has listed these objectives for the commemoration ceremony:

First. To contribute to the development of a healthy pride and respect among Negroes and Americans generally for those of African descent.

Second. To promote historical accuracy as to the struggle of the American Negro to achieve his rights as a person and as a citizen of the United States.

Third. To apprise the public of the contributions of Negroes to the life, technology, and culture of Virginia and of the United States.

Fourth. To stimulate interest in the erection of a suitable marker in honor of the arrival of these persons of African descent.

The commemoration will begin at 3 p.m. The featured speakers will be Dr. Charles H. Wesley, executive director of the Association for the Study of Negro Life and History, of Washington, D.C.; and Dr. Samuel Dewitt Proctor, Sr., dean of the Graduate School of Education at Rutgers, the State University of New Jersey, at New Brunswick.

Dr. Wesley is an eminent historian, an author, and was formerly president of Wilberforce University and later president of Central State College, both in Ohio.

Dr. Proctor is an eminent educator, an author, and was formerly president of Virginia Union University, Richmond, Va., and later president of A. & T. College, Greensboro, N.C. He also served a tour of duty as associate director of the Peace Corps in Washington, D.C.

I am pleased to invite the attention of the Senate to the ceremonies to be held at Jamestown, Va., next Sunday.

TAX-EXEMPT STATUS OF INTEREST ON STATE AND LOCAL BONDS

Mr. BAKER. Mr. President, on several previous occasions I have expressed my strong opposition to any and all attempts to revoke or alter the tax-exempt status of interest on State and local bonds.

In recent weeks there has been considerable editorial comment in the Nation's press concerning this issue. I ask unanimous consent that an article and an editorial published in recent issues of the Nashville Banner be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

BRILEY CITES "FISCAL CRISIS" IF TAX-EXEMPT BONDS CUT

(By Dick Battle)

Loss of tax exempt status for state and local bonds can constitute a "fiscal crisis" for many local governments and add "greatly" to the taxpayers' burden, Mayor Beverly Briley said today anticipating next week to the National Governors Conference at Colorado Springs.

Backed by 17,325 city and county governments, an estimated 1,400 municipal and other local public power agencies of the American Public Power Association, the Airport Operators Council International, and the National Municipal Finance Officers Association, Briley will testify as president of the National League of Cities on the proposed bond exemption legislation and on President Richard Nixon's revenue-sharing plan.

As NLC president Briley has presented local government arguments opposing removal of tax exempt status for local government bonds before congressional committees and will be among other municipal, local government and state officials who will appear before the Senate committee when it discusses the now famous HR 13270 which would take away the traditional tax exempt status of local bonds.

Briley will discuss with the governors the proposed revenue-sharing plan (which he strongly supports with most municipal and county officials) with the objective of developing a cooperative and smooth working pattern of procedure between state and local governments as the plan is implemented.

The fact that Gov. Buford Ellington of Tennessee is chairman of the NGC (first Tennessee chief executive to head this powerful organization of the country's governors) will certainly assure the NLC president (and first mayor of Nashville Metropolitan Government) a warm reception and an attentive audience.

It is probable there will be little controversy between the mayors and other local officials on either the President's tax-sharing plan or the strongly organized opposition to H.R. 13270 proposal to snatch the tax exempt status from municipal, state, and county bonds.

Metro Finance Director Joe E. Torrence estimates loss of tax exemption could cost Metro and other municipal governments "as much as two interest points" on the bond market and "might make it virtually impossible in some cases to go to the market with municipal bonds."

Regardless of arguments about a "few wealthy people who get by without paying any income taxes because of their holdings of tax exempt bonds" Torrence said "if this legislation goes through it will create a tremendous tax burden on all local taxpayers.

The finance director said Metro faces the necessity of going to the bond market before the first of the year with an issue of $30 million local bonds. Loss of tax exempt status could mean a required interest rate of 7.75 per cent "or probably 8 per cent" as compared with 5.75 or 6 per cent. Over the life of the bonds (30 years) this could mean an additional cost to the taxpayers of Metropolitan Nashville of $15 million," Torrence said.

Although the revenue-sharing plan which will involve both state and local governments in a cooperative "partnership" role will be a primary topic for the governors (and also a prime concern of Briley in his representative capacity as spokesman for the nation's mayors and municipalities), the tax exempt problem is sure to be well placed on the agenda.

Briley said he anticipated the governors, headed by Gov. Ellington (whose advocacy of the tax-sharing plan has already been firmly established) will be responsible to joint local-state efforts for coordination and implementation of the tax-sharing proposal.

Most local and state officials, Briley pointed out, regard the Nixon plan as a "real breakthrough toward solution of the critical problem of financing the solutions to the pressing problems of urban centers across the United States.

Commenting on the retention of tax exempt status for local bonds, Briley said: "The

immunity of states and local governments and their agencies from federal taxation in the exercise of their legitimate functions is vital for the preservation of our dual sovereignty system of government. As important as the interest savings may be to local governments and as important as the revenue loss may be to the federal government because of the tax exempt character of municipal bonds, these factors are secondary to the preservation of the sovereignty of our states and the integrity of our local governmental system."

Briley added, indicating testimony he will present to the assembled governors: "This system simply could not survive if the federal government destroys the preferential character of municipal debt or, by some gimmickry, exercise control of local policy-making by the selective taxation of certain categories of municipal bonds."

A CLEAR PRECISE WARNING

Speaking not only as the chief executive of Metropolitan Nashville-Davidson County but as president of the National League of Cities, Mayor Beverly Briley laid it on the line Monday as to the necessity of maintaining the tax-exempt status of state and municipal bonds. Addressing the National Governors Conference meeting at Colorado Springs, the mayor issued an urgent and precise warning: If the Senate follows the House's example and authorizes the removal of state and municipal bonds' traditional tax-exempt privilege, the nation's cities and states will be faced with added fiscal hazards that can be ruinous.

The crux of the problem, Mayor Briley told the governors, is that elimination of the tax-exempt status enjoyed by both state and municipal bonds would add a very substantial burden to already sorely-pressed local taxpayers. The proposal, while aimed at the relatively few investors who have huge holdings in tax-exempt bonds and thereby escape paying an income tax on the investment, would force the over-taxed general public to bear the added costs of financing long-range local construction programs. Additionally, the interest rate at which bonds can be sold might soar by as much as two percentage points tacking up millions of dollars to debt service requirements for Tennessee cities alone.

On the national level, the assault on bonds' tax-exempt status constitutes a threat to President Nixon's proposal of revenue sharing between the states and the federal government. The financial benefits of the revenue sharing program could be seriously depleted by this capricious and senseless attack on state and municipal financial structures.

Mayor Briley has apprised the governors of the threat each of their states faces. The Senate must head this warning and act responsibly to protect the best interests of the cities and their residents.

LEGISLATIVE INACTION TOWARD THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the General Assembly of the United Nations passed a unanimous resolution on December 11, 1946, affirming:

That genocide is a crime under international law which the civilized world condemns, and for the commission of which principals and accomplices—whether private individuals, public officials or statesmen, and whether the crime is committed on religious, racial, political, or any other grounds—are punishable . . .

The Assembly then requested the Economic and Social Council to prepare a draft convention through which the international community could cooperate in preventing and punishing genocide.

After 2 years of preparatory work in various committees, on December 9, 1948, the General Assembly unanimously adopted the Convention on the Prevention and Punishment of the Crime of Genocide. Within 2 days the convention was signed by the representatives of 20 nations. The convention came into force as a treaty between ratifying states on January 12, 1951.

The Genocide Convention consists of a preamble and 19 articles. The first nine articles are substantive; the rest are procedural. "Recognizing that at all periods of history genocide has inflicted great losses on humanity," the preamble expresses the conviction that international cooperation is required "to liberate mankind from such an odious scourge."

Under article III of the convention the following acts are punishable: the crime itself; conspiracy to commit genocide; direct and public incitement to commit genocide; attempt to commit genocide; and complicity in genocide. Article IX declares that persons committing genocide shall be punished regardless of their status. Article V states that the parties undertake to enact "in accordance with their respective constitutions" the necessary legislation to implement the provisions of the convention. Article VI states that accused persons are subject to trial in the state in which the offense is committed "or by such international penal tribunal as may have jurisdiction with respect to those contracting parties which shall have accepted its jurisdiction." Article VII provides for the extradition of accused persons. Article VIII states that any contracting party may call upon the competent organ of the United Nations "to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or any of the other acts enumerated in article III." Under article IX, disputes between the contracting parties relating to the interpretation, application or fulfillment of the convention "including those relating to the responsibility of a state for genocide or any of the other acts enumerated in article III" shall be referred to the International Court of Justice at the request of any of the parties to the dispute.

Mr. President, the convention was signed by the U.S. representative on December 11, 1948. President Truman transmitted the Genocide Convention to the Senate with the request that the Senate give its advice and consent to ratification on June 16, 1949. Since that time, an ad hoc subcommittee of the Senate Foreign Relations Committee held public hearings in January and February of 1950. The subcommittee reported the convention to the full Senate Foreign Relations Committee but since the 82d Congress, no further action has been taken.

Unfortunately, the attention given to this convention by the U.S. Senate has been minimal. But it is not too late to correct our failures. The Genocide Convention is not a treaty-in-force, since treaties require the consent of two-thirds of the Senate and ratification by the President of the United States. Let us correct our failure and take action to ratify this convention.

DEATH OF PUBLISHER HERMAN H. RIDDER

Mr. MURPHY. Mr. President, I have just been informed of the death of one of California's most distinguished citizens, Herman H. Ridder, publisher of the Independent Press-Telegram of Long Beach.

Since Hank Ridder came to Long Beach, 17 years ago, he has championed numerous civic causes which have earned him wide respect and admiration. His untimely death, today, came at a time when he was engaged in the planning of a $1 million art museum for Long Beach. We will all remember him for his crusade to keep tideland oil revenues for that city—a fight which has brought almost $250 million to Long Beach. Herman Ridder, a member of the distinguished nationwide newspaper publishing family, was a serious and extremely able poet. He was a noted art collector, and he served with distinction as a member of the State college board of trustees. He was president and director of Ridder Publications, Inc. Mr. President, this passing of one of California's most respected journalists, and my close personal friend, saddens me deeply.

But he has left legacies to us all throughout his notable career. One of the most important of these, of course, is the integrity which he himself symbolized and which he demanded from his publications, for it was through this emphasis of his on integrity that he strengthened not only his own news media but also the entire philosophy of freedom of the press. His first consideration, always, in his editorial policy was the good of the people. The readership of his publication, myself included, can testify that he served us well in attaining this laudable goal.

THE TENNESSEE WALKING HORSE: ITS WORST ENEMY

Mr. TYDINGS. Mr. President, next Wednesday I will preside over hearings before the Energy, Natural Resources, and the Environment Subcommittee on S. 2543, a bill which I introduced and which is designed to end the cruel and prevalent practice of deliberately making sore the feet of Tennessee Walking Horses in order to alter their natural gait.

Soring, as the practice is known, is not at all necessary. The horse, with proper training, care, patience, and breeding, can be trained "to walk." It does not have to be injured to do so. Soring is in fact a cheap shot, a way to circumvent the difficult and time-consuming training period.

On August 16, 1969, the St. Louis Post-Dispatch published an editorial on the soring of Tennessee Walking Horses, entitled "The Horse's Worst Enemy." It rightly terms the practice "monstrous" and calls it a "disgrace to civilized men." I concur heartily and 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:

THE HORSE'S WORST ENEMY

Senator Joseph D. Tydings of Maryland has returned after two years with new legislation to stop a cruel practice in the development of Tennessee walking horses—the unconscionable mistreatment of a horse's front feet to force the animal to use an artificial gait. This time he has the support of the Department of Agriculture. Instead of prohibiting the interstate shipment of treated horses as proposed in a 1966 measure which the USDA deemed unenforceable, the new bill would prohibit exhibitions of such animals, with a penalty of $500 fine or six months' imprisonment, or both.

The unique gait of the Tennessee walking horse, neither a trot nor a gallop but a quick, high-stepping walk, can be taught through months of careful training. The front feet must barely touch the ground and springing upward take a long striding step forward—elegance for watching, comfort for riding. Some years ago unscrupulous owners and trainers discovered that the walking gait can be induced almost instantaneously by using various cruel methods to make the horses' front feet sore.

The practice has been condemned by the Tennessee Walking Horse Breeders and Exhibitors Association of America and the American Horse Show Association but still it goes on. Judges have admitted winking at it. We hope that Senator Tydings will have no difficulty getting his bill enacted, and that it will end a monstrous practice which is a disgrace to civilized men.

ILLEGAL DRUGS AND NARCOTICS

Mr. MURPHY. Mr. President, I have great hope that yesterday, September 14, may be recorded as D-Day in the war against illegal drugs and narcotics. President Nixon's Task Force Report on Narcotics, Marihuana, and Dangerous Drugs, made public yesterday, represents a virtual battle plan of sweeping proportions. This declaration of war against drugs and narcotics carries out a campaign pledge made to the American people by Mr. Nixon on September 16, 1968, in Anaheim, Calif.

The American people are greatly concerned over the growing drug problem which, according to the testimony before the Committee on Labor and Public Welfare, of which I am a member, has even reached the elementary level. They rightfully demand action. The President and the administration are to be complimented for this timely response to one of the most serious problems confronting our country. I am pleased that many of the recommendations of the Task Force report follow some of the suggestions that I have made to the President and to the administration. I ask unanimous consent that the full text of the Task Force report be printed in the RECORD.

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

JUNE 6, 1969.

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

DEAR MR. PRESIDENT: We submit herewith a report dated June 6, 1969, entitled "Narcotics, Marihuana and Dangerous Drugs Task Force." As you can see, it is the result of the joint efforts over an extended period of time of many persons from not only the Treasury Department and the Justice Department, but also from the Departments of Defense, Health, Education and Welfare, Agriculture, Labor, Commerce and Transportation. The State Department was represented in an advisory capacity. A representative of the Interstate Commerce Commission also participated and a staff assistant to Mr. Ehrichman was present as an observer at all meetings of the full Task Force.

This report is a direct result of your pledge to the American people on September 16, 1968, at Anaheim, California. At that time you stated that you intended to do several things. Among them was your intention to "move against the source of drugs" and to "accelerate the development of tools and weapons to detect narcotics in transit".

In the immediate future, the combined enforcement resources of the United States Government will be utilized in order to make a concerted frontal attack on the illegal importation into and the subsequent illegal sale and use of marihuana, narcotics and dangerous drugs in the United States.

We will keep you advised on a continuing basis of specific programs that will be initiated to implement the recommendations of the report. We will also advise you of the results of such programs.

In this regard, you should also be advised that representatives of our respective departments will be meeting in Mexico City on June 9th, 10th and 11th, with officials of the Government of Mexico to consider all aspects of the illegal traffic between our two countries in narcotics, marihuana, stimulants and hallucinogenic drugs.

The Department of State, which will assume the major burden of obtaining Mexican cooperation on a continuing basis, will participate in these meetings and will coordinate our follow-through efforts with the Mexican authorities. Under Secretary Richardson has assured us of that Department's whole-hearted support for the report.

Because the report concerns itself not only with recommendations as to enforcement matters but also with the dangers and effects which result from the use of marihuana in particular, representatives from the Department of Health, Education and Welfare made valuable contributions to the efforts of the Task Force. We have been authorized by Secretary Finch to inform you that he fully concurs in the report, its conclusions, and recommendations.

Respectfully,

DAVID M. KENNEDY,
Secretary of the Treasury.
JOHN N. MITCHELL,
Attorney General.

TASK FORCE REPORT: NARCOTICS, MARIHUANA, AND DANGEROUS DRUGS, JUNE 6, 1969

INTRODUCION

One of the most serious problems facing the United States today is the marked increase in the use of narcotics, marihuana and other hallucinogenic or "mind-changing" drugs. This problem is especially prevalent among the youth of our nation, who have experimented with these drugs.

Most of the marihuana in the United States today comes from Mexico and is smuggled across the border by various means. Mexico has become by far our largest supplier of marihuana and it is also the source of a substantial amount of other drugs. As the primary sources of supply, free-lance smugglers and organized traffickers are largely responsible for the marihuana and drug abuse problem.

In an effort to find a solution to this problem, the Attorney General requested the formation of an interdepartmental Task Force to conduct a comprehensive study of marihuana with specific emphasis on the Mexican border problem. The objective of the Task Force has been to formulate a plan for positive and effective action to control the illicit trafficking of drugs across the Mexican border. The Task Force has also reviewed the best scientific information now available on the health dangers inherent in the use of marihuana and has endeavored to communicate unequivocally in this report the facts concerning the social implicationse of marihuana use.

It was considered advisable to involve in this study all Government agencies dealing with one or more phases of the problem.

The following individuals represented their departments and agencies on the Task Force and actively participated in its deliberations:

Co-Chairman: Mr. Richard G. Kleindienst, Department Attorney General, Department of Justice.

Co-Chairman: Mr. Eugene T. Rossides, Assistant Secretary, Department of the Treasury.

Executive Secretary: Mr. R. Richards Rolapp, Special Assistant to the Deputy Attorney General, Department of Justice.

MEMBERS

Mr. John J. Caulfield, Staff Assistant to Counsel, The White House.

Mr. Paul Eggers, General Counsel, Department of the Treasury.

Mr. G. Gordon Liddy, Special Assistant to the Secretary, Department of the Treasury.

Mr. Lester D. Johnson, Commissioner—Bureau of Customs, Department of the Treasury.

Mr. John E. Ingersoll, Director, Bureau of Narcotics and Dangerous Drugs, Department of Justice.

Mr. George H. Revercomb, Associate Deputy Attorney General, Department of Justice.

Mr. Cartha D. DeLoach, Assistant to the Director, Federal Bureau of Investigation, Department of Justice.

Mr. Raymond F. Farrell, Commissioner, Immigration & Naturalization Service, Department of Justice.

Mr. William E. Ryan, Chief, Narcotics & Dangerous Drugs Section, Criminal Division, Department of Justice.

Mr. Henry E. Petersen, Acting Deputy Assistant Attorney General, Criminal Division, Department of Justice.

Mr. Robert E. Jordan, III, Chief Counsel, Department of the Army.

Mr. Frank A. Bartimo, Assistant General Counsel, Manpower and Reserve Affairs, Department of Defense.

Dr. Theodore C. Byerly, Assistant Director, Science & Education, Department of Agriculture.

Mr. Rocco C. Siciliano, Under Secretary, Department of Commerce.

Mr. John Gentry, Executive Assistant to the Under Secretary, Department of Labor.

Dr. Mark Novitch, Special Assistant for Pharmaceutical Affairs, Office of the Secretary, Department of Health, Education and Welfare.

Dr. Stanley F. Yolles, Director, National Institute of Mental Health, Department of Health, Education and Welfare.

Mr. James M. Yohe, Deputy Director of Compliance and Security, Federal Aviation Agency, Department of Transportation.

Commander Frederick J. Lessing, U.S. Coast Guard, Department of Transportation.

Mr. Fritz Kahn, Deputy General Counsel, Interstate Commerce Commission.

The Task Force convened its initial meeting on March 26, 1969. In that first meeting the general scope of the proposed study was discussed, objectives formulated and Subcommittees formed for more specific and detailed research on the various aspects of the overall study. The Subcommittees were:

Health Subcommittee—Dr. Stanley F. Yolles, Director of the National Institute of Mental Health, Chairman.

Resources Subcommittee—Mr. Cartha D. DeLoach, Assistant to the Director of the Federal Bureau of Investigation, Chairman.

Enforcement Subcommittee—Mr. John E.

Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, Chairman.

Each Subcommittee was given direction on the scope and nature of its study and assigned certain questions by the Task Force. The Task Force requested the Health Subcommittee to prepare a comprehensive report on the medical implications of marihuana use. The Task Force was particularly interested in learning by whom and to what extend marihuana is used and the health dangers involved, if any. This Subcommittee was also requested to report on present efforts to educate the public about drug abuse and to recommend particular areas where educational efforts can be increased and concentrated.

The Resources Subcommittee was asked to survey and report on the manpower and facilities available to aid in the control of trafficking in marihuana. This Subcommittee undertook an analysis and comparison of the resource needs of existing law enforcement agencies to enable such agencies to participate effectively in a long-range program for marihuana control.

The Enforcement Subcommittee developed a recommended plan of action, for immediate and long-term implementation, designed to have a significant impact on unlawful marihuana trafficking across the Mexican border. Its study included an examination of existing programs of law enforcement agencies with a view to the improvement of coordination and efficiency. The Enforcement Subcommittee defined the various aspects of the enforcement problem, reached certain conclusions and made appropriate recommendations for implementation.

These Subcommittees devoted considerable time to careful study of the assigned subject matter. As an example of the effort expended, the Enforcement Subcommittee devoted over 25 hours for discussion meetings within a three-week period of time.

The Task Force considered the Subcommittee reports during its second meeting on April 28, 1969. The reports were discussed in detail and Task Force members made suggestions for changes and additions. The final report in draft was submitted to each member of the Task Force for discussion and approval at a concluding meeting on May 19, 1969.

This final comprehensive report is a product of the extensive research and study by the Task Force of an extremely complex problem.

I. THE DANGERS OF MARIHUANA

What is marihuana?

Marihuana (pot, grass, weed, etc.) is a product of the Indian hemp plant known to botanists as *cannabis sativa* (L.). It is derived from the leaves and flowering tops of the female plant which are the source of the psychoactive material. Under federal law, marihuana is defined to mean all parts of the *cannabis* plant except for the stalks and sterilized seeds.

Marihuana contains a number of potent compounds called tetrahydrocannabinols (THC) which affect the mind and body in various ways. Potency of the drug varies greatly depending on growing conditions such as temperature, humidity, soil conditions, and methods of cultivation. Generally, plants grown in sunny, dry climates are most likely to contain the highest proportion of THC. The pharmacologic potency of any preparation of marihuana depends upon the amount of THC which it contains.

The drug is most commonly smoked in hand-made cigarettes (reefers, sticks or joints.) The butt is called a "roach." Marihuana is also smoked in ordinary pipes or water pipes. The effects of the drug are decreased three or four times if it is swallowed rather than smoked.

Various forms of marihuana are prepared from extracts of the plant. Hashish (hash, charas) is the purest and most concentrated of the natural *cannabis* products. It consists of the concentrated resin of the plant and is usually eight times as concentrated as the typical marihuana available in North America. Once rare in the United States, hashish is reported to be increasingly obtainable in response to a rising demand. Relating foreign studies of *cannabis* use to the American scene is difficult because of the generally higher potency of the *cannabis* products used abroad. Marihuana grown in this country is typically of lower potency and is often weakened further by additives such as oregano. However, Mexican grown marihuana has a high potency and is regularly sold in the United States. It should be noted that all marihuana products lose strength over time.

While marihuana contains many ingredients, THC is believed to be the principal psychoactive substance. With the synthesis of THC in 1966,[1] and the demonstration of its psychopharmacological effects in 1967,[2] a basis was finally established for more precise, systematic pharmacological investigation of the drug. At present, THC is being synthesized in research quantities. Along with other natural marihuana constitutents, THC is being made available under appropriate precautions to qualified researchers through the National Institute of Mental Health's Center for Studies of Narcotics and Drug Abuse.

Since marihuana products produce effects similar to other hallucinogens like LSD, and their reactions are often indistinguishable from those produced by other psychedelics, they are pharmacologically classified in that category.

Present evidence of extent of use

Marihuana use has been rapidly increasing in the past five years. Although originally restricted to certain jazz musicians, artists and ghetto dwellers, it has now appeared among the middle and upper class. A conservative estimate of persons, both juvenile and adult, who have used marihuana at least once is about five million.

One of the most alarming aspects of the current drug crisis is the involvement of young people. In California alone juvenile arrests for drug offenses increased from 1,271 in 1961 to 14,112 in 1967. Of the 14,112 juvenile arrests in California during 1967, 10,987 were arrested for marihuana violations. To understand the full significance of this figure it must be compared with the year 1961 in which there were 401 arrests. In 1967 alone there were over 2,000 more arrests for marihuana violations than in the previous six years combined.

Two years ago, surveys in parts of the country where marihuana use is known to be high suggested that twenty percent of the college students in those areas had experience with marihuana. Present evidence, although spotty, suggests that as many as sixty percent of the students on some campuses have used it. Some students feel that official estimates are low, and that the true extent of drug abuse among college students is even higher. There are also many reports of increasing use of marihuana in high schools although there is not sufficient data to establish a countrywide pattern. Significantly, most recent college data indicated that many college users were first exposed to marihuana in high school. However, the bulk of users are more aptly characterized as "triers" rather than habitual "potheads." Two out of three who have tried the drug have used it not more than one to ten times. In the most recent (Fall, 1968) survey based on a geographic area of high use, about one person in ten reported using marihuana regularly for as much as a year's duration. Finally, there is growing evidence that the number of preteenagers who are using marihuana is increasing.[3]

Footnotes at end of article.

Effects

The use of marihuana produces a variety of mental and physical effects. If active marihuana is smoked effectively (inhaled and kept in the lungs as long as possible) symptoms may appear after one or two puffs and the effect may last from several minutes to several hours.

Dr. Stanley F. Yolles, Director, National Institute of Mental Health, has stated:

"Little can be added to previous reports on the toxicity of marihuana. It is considered to be a mild hallucinogen, taken by the usual route of smoking, occasionally by ingestion. It may induce a mild euphoria and lead to heightened suggestibility and faulty perception, really an exaggerated notion of thinking more clearly, profoundly and creatively. In addition, it is knowr to cause reddening of the membranes of the eyes, rapid heartbeat, muscular incoordination, unsteadiness, drowsiness, and distortion of time and space perception.

"In acute intoxication, especially when ingested, it may also produce visual hallucinations, pronounced anxiety, paranoid reactions, and transient psychoses lasting four to six hours. It generally tends to lessen inhibitions and creates for the user a false reality based on his wants, his motivations, or the situation. In this respect it is similar to LSD, but its effects are not as potent.

"The muscular incoordination and the distortion of space and time perception commonly associated with marihuana use are potentially hazardous, since the drug adversely affects one's ability to drive an automobile or perform other skilled tasks.

"We still do not know enough about the long-term effects of marihuana use. As in the case of tobacco, it is possible that there are serious consequences of chronic use which will only become apparent through careful, longtime studies." [4]

A 1965 report on drug dependence for the World Health Organization describes the nature of marihuana intoxication in the following terms:

"Among the more prominent subjective effects . . . are: hilarity . . . carelessness; loquacious euphoria . . . distortion of sensation and perception . . . impairment of judgment and memory; distortion of emotional responsiveness; irritability; and confusion. Other effects, which appear after repeated administration . . . include: lowering of the sensory threshold, especially for optical and acoustical stimuli . . . and aggressiveness as a possible result of various intellectual and sensory derangements; and sleep disturbances." [5]

In small, low potency quantities marihuana may act as a mild euphoriant and sedative somewhat similar to alcohol. In relatively high doses psychotic-like phenomena, quite similar to those associated with LSD use, have been reported. Recurrences of the marihuana state (flashbacks) without actually taking the drug again have been reported. These recurrences can be anxiety provoking. Unlike the stronger hallucinogens, such as LSD, which produce wakefulness, marihuana tends to be more sedative in its properties. THC in sufficiently high doses can induce psychotic reactions in almost any individual.

Despite marihuana's long history—spanning thousands of years and many cultures—there has been comparatively little sound research on this drug. Only four laboratory studies investigating marihuana's immediate effects on humans have been reported in the American scientific literature. The first of these was done with a group of 34 soldiers in the Canal Zone. A second study, reported in the 1944 LaGuardia Report, is based on 72 prisoners' responses to marihuana extract. In 1946, a small number of chronic using prisoners were studied. A more carefully controlled study recently produced a report

on some laboratory work with marihuana in humans done partially with NIMH support.[6]

All of these studies generally found loss of inhibitions, and feelings of relaxation and self-confidence together with some mild impairment of thinking and coordinated performance. It has also been demonstrated that THC, when administered in sufficiently high dosage, will cause a psychotic-like state, similar to that induced by LSD.

While no long-term physical effects of marihuana use have been adequately demonstrated in this country, the American experience has been extremely brief and additional studies are needed to resolve this and other issues. Although there is no firm evidence that marihuana use in humans has either teratogenic or genetic implications, this possibility should be explored—particularly in view of some evidence on this point with respect to LSD. It is possible that there are serious consequences of chronic use which will only become apparent after careful, long-term studies. In foreign countries where heavy use of the stronger cannabis preparations is common, a variety of physical ailments supposedly related to marihuana use have been reported—notable conjunctivitis, chronic bronchitis, and certain digestive ailments.

There have also been reports of adverse psychological effects of marihuana both in this country and abroad. Recently a group of some 1500 psychiatrists, psychiatric residents, internists, general practitioners and psychologists in the Los Angeles area reported that they had seen almost nineteen hundred "adverse reactions" to marihuana.[7] It is difficult to interpret this finding since "adverse reaction" was poorly defined, and there has been no follow-up to define just what the reactions to the drug were. However, there have been reports of increased number of hospitalizations following the usage of marihuana.

Considerable concern has been expressed in the United States over the possibility of personality changes and a loss of motivation among youthful marihuana users. The potential effects of a reality distorting agent on the future psychological development and maturation of the adolescent user are of special concern. Normal adolescence is a time of considerable psychological turmoil. Patterns of coping with reality developed in the teen years help determine later adult behavior. Persistent use of an agent which serves to ward off reality during this critical period of development is likely to affect adversely the future ability of the individual to cope with the demands of a complex society. While systematic studies of large numbers of American chronic users are not yet available, a number of clinicians have observed that at least some users show evidence of a loss of conventional motivation. They seem to prefer instead a non-goal oriented life style, which emphasizes immediate satisfactions to the exclusion of ambition and future planning. The "pothead", then, may well retard his own chances for emotional growth by not learning how to deal with life stress. Characteristic personality changes among impressionable young persons from the regular use of marihuana include apathy, loss of effectiveness, and diminished capacity or willingness to carry out complex long-term plans, endure frustration, concentrate for long periods, follow routines, or successfully master new material. It has also been observed that verbal facility is often impaired, both in speaking and writing.

The British *cannabis* report by the Advisory Committee on Drug Dependence (1968) concluded:

"There have been reports, particularly from experienced observers in the Middle and Far East, which suggest that *very heavy long-term* (italics, theirs) consumption may produce a syndrome of increasing mental and physical deterioration to the point where the subject is tremulous, ailing and socially incompetent. This syndrome may be punctuated on occasions with outbursts of violent behavior. It is fair to say, however, that no reliable observations of such a syndrome have been made in the Western World, and that from the Eastern reports available to us, it is not possible to form a judgment on whether such behavior is directly attributable to *cannabis*-taking." [8]

Progression to other drugs

A basic question that frequently arises is the extent to which marihuana use in some sense predisposes users to escalate to stronger and more dangerous drugs. There is little question that most heroin and LSD users have had experience with marihuana. Indeed, 85 to 90 percent of heroin addicts reported that they started their use of drugs with marihuana. There is also a question whether any but a small percentage of marihuana users progress to other drugs, the evidence tending to show that only five percent of the habitual marihuana users progress to heroin addiction.

In discussing the question of progression, it is vital to distinguish between the casual experimenter with marihuana, and the regular and continuous user, and between physical addiction and psychological dependency.

A casual experimenter by definition is not dependent upon the drug. A regular and continuous user, on the other hand, may very well be dependent upon it.

Once he has become psychologically dependent upon one drug as a "crutch" to cope with life stress, the user is substantially more susceptible to the acquisition of a larger crutch through the medium of a stronger drug.

An example of the importance of this distinction is the heroin addict. The most desperately "hooked" of junkies with a "habit" costing hundreds of dollars per day can be "detoxified" in under 8 days, and brought to a point where absence of the drug will produce no physical reaction or withdrawal symptoms. Yet, let that individual be imprisoned for 5 years without access to the drug, and without effective psychiatric treatment, upon release he will seek a pusher. He will do so because he is still psychologically dependent upon heroin. Recognition of the fact is basic to the New York State rehabilitation program which spends years, rather than weeks, treating addicts. Their physical craving is terminated in days—their psychological dependency is the subject of years of treatment.

In view of the foregoing, it must be concluded that regular and continuous use of *cannabis* can and does produce psychological dependency and marked susceptibility to progression to stronger reality concealing drugs.

The progression is, however, probably not a consequence of the pharmacological properties of marihuana, but rather is due to sociological and psychological factors present in a vulnerable minority of users. For example, in ghetto situations where both drugs are freely available, sometimes from the same supplier, a progression based on availability may be likely. Similarly, heavy drug using subcultures may encourage widespread experimentation with a wide variety of drugs. It is generally true that a heavy marihuana user is more likely to be a multiple drug user. In one study, half of the heavy users of marihuana had tried LSD. One in seven had used LSD more than 25 times or had tried heroin. Two out of five heavy users in this same study had abused amphetamines. This trend to multiple drug experimentation may increase in the future. In this connection it is important to point out that use of a combination of dangerous drugs may have a synergistic effect and may result in the death of the user.

There is reason to believe that heavy marihuana users are likely to have considerable interest in the use of the stronger forms of *cannabis* such as hashish. If hashish is available, many would probably use it in preference to low-potency marihuana. The history of mind-alerting drugs invariably reveals that excessive indulgence increases sharply as more potent preparation of a given drug become available.[9]

Marihuana versus alcohol

Some marihuana users have tried to justify their behavior by claiming that it is no worse than consuming alcohol. It is estimated that the consumption of alcohol is a major problem for some five to six million Americans who are unable to control their drinking. In most cases, excessive drinking of alcoholic beverages causes serious physical, psychological, social and vocational problems for these people and their families. It is well known that one-half of the fatal traffic accidents in the United States are related to excessive drinking.[10]

While alcoholism constitutes a major social problem, surely it is not valid to justify the adoption of a new abuse on the basis that it is no worse than a presently existing one. The result could only be added social damage from a new source. It would not solve our alcohol problem and would only lead to additional numbers of marihuana intoxicated individuals. Moreover, marihuana, unlike alcohol, is nearly always consumed by its users for the express purpose of obtaining a "high," a disorientating intoxication.

Allegations have been made and attributed to government officials that marihuana is no more dangerous than alcohol. When these stories appear in the mass media they often do considerable harm, even when subsequently retracted. Dr. James Goddard, former Commissioner of the Food and Drug Administration, was extensively quoted as saying that marihuana is no more dangerous than alcohol. Dr. Goddard was, in fact, misquoted and never made such a statement. Although the wire service issued a written apology, the retraction has never caught up with the misquote.

The position of the AMA and WHO

The American Medical Association has stated that marihuana is a dangerous drug and, as such, is a public health problem.[11] They reiterate that while no physical dependence develops this does not mean that it is an innocuous drug. Further research is considered essential, and educational programs should be directed to all segments of the population.

The World Health Organization recently reaffirmed its previous opinions that *cannabis* is a drug of dependence, produces public health and social problems, and that its control must be continued.[12] More basic data are needed on acute and chronic effects on the individual and society to permit accurate assessment of the degree of hazard to public health.

Marihuana use and crime

Aside from the fact that marihuana use and possession is in itself a crime, it has not been proven that its use is a direct cause of other types of criminal behavior. Generally, assertions that marihuana plays a casual role in the commission of crime are based on reports from other than scientific agencies. The validity of these impressions is, however, questionable because of the unscientific basis on which such data has been collected. The New York Mayor's Committee (1944) reported that many criminals might use marihuana, but the Committee did not feel marihuana played a casual role in crime. In the United Kingdom, the use of *cannabis* has not been generally regarded as a direct cause of crime.

The President's Commission on Law Enforcement and Administration of Justice has observed:

"One likely hypothesis is that, given the ac-

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cepted tendency of marihuana to release inhibitions, the effect of the drug will depend on the individual and the circumstances. It might, but certainly will not necessarily or inevitably lead to aggressive behavior or crime. The response will depend more on the individual than the drugs." [13]

While perhaps it cannot be statistically proven that marihuana or other dangerous drugs may be the cause of originating crime, nevertheless the use of marihuana or dangerous drugs is related to increased criminal activity.

According to the President's Crime Commission Task Force Report on Narcotics and Dangerous Drugs, page 11, the FBI submitted criminal histories on 7,920 narcotics offenders. These criminal histories, when examined as to marihuana users and heroin users, indicated that the criminal careers of narcotics users, both marihuana and heroin, were longer, and resulted in more frequent arrest activities than the average non-narcotic criminal offender. For the marihuana offender this comparison demonstrated that during the course of his criminal career he was proportionately more frequently involved in violent crimes than the normal non-narcotic criminal offender.

CONCLUSION

There is no question that the widespread use of marihuana represents a significant mental health problem.

There is no known beneficial result from the use of marihuana; there are, on the other hand, definite detrimental effects.

More research is needed to further our understanding of the effects of marihuana use. However, it is clear that, depending on the dose, the active ingredient found in marihuana may have substantial detrimental effects on both the mental and physical well-being of the user. In this connection it is important to point out that use of a combination of dangerous drugs may have a synergistic effect and may result in the death of the user.

Medical evidence neither proves nor disproves that marihuana is a cause of crime. Criminal records do establish clearly an accelerating rate of association between crime and the use of marihuana.

The Task Force recommends:

Continued and expanded research to further our understanding of the causes and effects of marihuana use.

Prevention by wide distribution, among other means, of scientifically accurate information and materials about the dangers of drug abuse.

Provision of resources to treat and rehabilitate marihuana users in need of mental health care.

II. THE MEXICAN BORDER PROBLEM

Among the nations of the Western Hemisphere, Mexico occupies a unique position insofar as traffic in narcotics, marihuana and dangerous drugs is concerned. Large quantities of narcotics, marihuana and dangerous drugs are smuggled into the United States across the Mexican border. Based on our study of the problem, the Task Force enters these findings:

1. *Mexico is the primary source of nearly all of the high potency marihuana seized in the United States.* Seizures of marihuana at the Mexican border have increased tremendously in the past five years. For example, in 1966 there were 10,416 pounds of marihuana seized at the Mexican border; whereas, in 1968 almost seven times this much, or 70,210 pounds were seized.

Most of the marihuana sold and consumed in the United States is grown in Mexico. Mexican marihuana is highly preferred by users and is of more potent content than the U.S. variety. It enters this country at scores of border crossing points and is quickly delivered to the more populous cities where demand is greatest. In recent years, the California border has been a particularly active smuggling point for extremely large shipments of marihuana. San Diego and Los Angeles, California, are the major distribution points for the rest of the country.

Control of marihuana traffic is in the hands of small groups that generally operate independently. Some marihuana is smuggled by individuals for self-consumption or small-scale sales.

2. *A significant percentage of the heroin consumed by addicts in the United States is produced surreptitiously in Mexico.* Mexican heroin is produced from opium grown in small opium fields hidden in normally inaccessible valleys in remote areas of the Mexican interior. The distribution of the Mexican heroin is accomplished by scores of peddlers handling small shipments with great frequency.

Most of this heroin is distributed in states bordering Mexico. Once in the United States, most of the Mexican heroin is moved quickly from border cities to population centers such as San Diego, Los Angeles, Denver, Phoenix, Albuquerque, Houston, Fort Worth, and Dallas. Some of the heroin produced in Mexico has appeared in St. Louis, Chicago, Detroit, and other northern cities. The addict population in the border area is relatively low. However, many addicts living in border cities journey daily to nearby Mexican towns to obtain heroin and some risk smuggling small quantities into the United States for future use or for friends and associates.

3. *Significant quantities of European heroin, produced principally in France, are smuggled from time to time into the United States via Mexico.* Most of the heroin in the United States (approximately 80%) is produced in France from Turkish opium. Some of this European heroin is smuggled into the United States through Mexico. The largest individual heroin shipments seized at the Mexican border were of French origin and were under the control of individuals associated with "organized crime" in New York. The French heroin which passes through Mexico is usually destined for New York City and from this point is distributed to the large metropolitan areas on the Eastern Seaboard and the Middle West.

4. *Mexico occasionally serves as an intransit point for cocaine destined for the United States from the source countries in South America, principally Bolivia and Peru.* No fixed pattern has been detected with regard to cocaine smuggling from Mexico, although there is indication the California border is involved to a greater degree than other areas.

5. *Considerable quantities of dangerous drugs in the amphetamine and barbiturate category are smuggled into the United States across the Mexican border.* This traffic occurs in various ways. These drugs may have been produced legally or illegally in Mexico and smuggled into the United States, or may have been legally produced in the United States for export to Mexico and then smuggled back into the United States or diverted at border cities prior to actual exportation.

Smuggling methods

Smuggling methods are varied. In the case of French heroin, it is sometimes hidden in specially constructed traps in automobiles shipped to Mexico from Europe. In other cases, it may be sent from Europe to Mexico City concealed on aircraft, or by couriers carrying luggage with false compartments. It is then passed northward to the United States.

Mexican heroin is usually carried in relatively small quantities across the border on the persons of individual smugglers or in large quantities hidden in traps or panels of small trucks or automobiles. This same pattern is followed in shipments of Mexican marihuana and other dangerous drugs.

There is increasing use of general aviation aircraft and small boats in the smuggling of heroin and marihuana.

The Mexican program to control illicit traffic

The Mexican Government has participated in three bilateral meetings with the U.S. Government concerning the problems of illicit traffic in narcotics and other dangerous drugs. A fourth such meeting is scheduled for June 9, 10 and 11, 1969.

The atmosphere of these meetings has been friendly and cooperative. Mexican efforts to eliminate illicit opium and marihuana cultivation have been encouraged through these meetings. In the past, the United States has provided the Mexicans with aircraft for use in locating marihuana and opium fields, and for transporting agents to destroy these fields.

Despite this country's encouragement, and the efforts of Mexican authorities to aid in the effective control of illegal trafficking in marihuana and dangerous drugs, Mexican resources and efforts continue to be inadequate in the face of the increasing magnitude of the problem. The control of illicit drugs in Mexico is based on federal statutes which are enforced by the Federal Judicial Police under the Attorney General. Their individual states, unlike our own, do not have narcotic and drug laws. At the present time the Federal Judicial Police, headquartered in Mexico City, is staffed by 264 agents, only a fraction of whom are assigned to drug enforcement activities.

The Task Force was formed to study the acute problem of marihuana drug traffic from Mexico and to develop a plan to bring this situation under control. It is clear that the problem is becoming more serious and of greater magnitude. Smuggling activity at the Mexican border is increasing at an alarming rate.

The problem of illicit trafficking across the Mexican border is bilateral in nature. Neither country can solve it alone. There is need for a concerted, continual and coordinated effort on the part of both countries and at all levels of Government to become more deeply involved in controlling the flow of illicit drugs across the border.

It is reasonable to conclude that the ready availability of marihuana and other drugs from Mexico has significantly affected the increase in drug abuse in this country. It is also certain that more can be done toward solving the entire spectrum of drug abuse problems in the United States by attacking this problem at its source.

For the above reasons, the Task Force is prepared to recommend a plan for immediate action to substantially reduce on a short time basis the illicit trafficking in marihuana and dangerous drugs across the Mexican border.

In addition, the Task Force has considered in depth various methods to be used in the suppression of Mexican drug traffic on a more long-term basis. The problem has been divided, for study, into three main phases: (1) the prevention and control of drug smuggling at the Mexican border; (2) the location and destruction by the Mexican Government of drugs at their source in Mexico and the apprehension of the traffickers involved by the Mexican Government; and (3) the detection and swift prosecution of drug violators in the United States and Mexico. Accordingly, the findings and recommendations of this Committee will be based on analysis of each of these areas. It is anticipated that many of the recommendations of the Task Force may be put into effect, with Mexican Government cooperation, in the future in order to deter the flow of illicit drugs.

III. PREVENTION AND CONTROL OF DRUG SMUGGLING AT THE MEXICAN BORDER

Border crossing restrictions

The suppression of drug smuggling along the border is directly related to the physical and regulatory control of individuals and

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conveyances. The huge volume of vehicle and pedestrian traffic crossing at border points creates serious enforcement problems for Customs officials. The limited manpower available and the enormous volume of traffic make it impossible to inspect adequately each vehicle to determine if it is transporting contraband. Inspectors detain and carefully search only those cars or individuals whose likelihood of possessing contraband merits secondary inspection. Since it is impossible under this method to detect all persons who may have contraband items, many smugglers successfully traverse the border. Any information that could lead to some common denominator as to the kind of person who smuggles contraband articles, should be analyzed. This would aid border inspectors in their discretionary authority to search persons and vehicles.

The Task Force recommends: *Case histories of past and future smuggling operations should be analyzed to determine identifiable characteristic patterns of smugglers to facilitate primary inspection at the border.*

One way to decrease the flow of vehicular traffic would be to encourage those traveling to Mexican border cities for brief visits to leave their cars and enter Mexico by foot. This procedure could be encouraged by providing additional parking facilities at border crossing points. Because of the advantages of parking a vehicle on the U.S. side, many temporary visitors would probably desire to use such parking facilities.

The Task Force recommends: *The United States Government should acquire property at border crossings for the construction of parking facilities.*

The Immigration and Naturalization Service has stressed the effectiveness of fences currently installed near authorized points and is convinced that their extension would enhance efforts to restrict unauthorized crossings.

The Task Force recommends: *Existing fences along the United States-Mexican Border should be extended after careful determinations are made of those areas where such extensions are most needed and would have the most beneficial effect.*

The lack of sufficient easements at the border, particularly at metropolitan points, compounds the problem of choking off traffic at unauthorized entry points. In such areas, an easement of at least thirty feet would be necessary to effectively control these areas.

The Task Force recommends: *Easements up to thirty feet wide at metropolitan border points should be granted to the United States Government to enhance its efforts to restrict unauthorized crossings.*

The large number of military personnel in San Diego produces an economic boost for Tijuana. It also creates many problems with respect to the safety and welfare of these men. Although a relatively small percentage of the military element is involved in the smuggling of narcotics, the social and commercial atmosphere produced by the drug trade in Tijuana greatly affects their activities. Should Tijuana be placed off limits to all military personnel, the effect on the local economy would be substantial. Such action could be considered as an inducement for better drug control along the border.

The Task Force recommends: *A study should be made by the Department of Defense to consider the feasibility of imposing an off-limits restriction on military personnel at Tijuana.*

Aliens are inadmissible to the United States under the Immigration and Nationality Act if they are narcotic drug addicts or if they have been convicted of a violation or conspiracy to violate any law or regulation relating to the illicit possession of, or traffic in, narcotic drugs or marihuana. They are also inadmissible if the Immigration Officer knows or has reason to believe such aliens have been illicit traffickers in narcotic drugs. Furthermore, alien narcotic drug addicts convicted of offenses involving narcotic drugs or marihuana trafficking or possession, are subject to deportation. There is a program whereby the Bureau of Narcotics and Dangerous Drugs and the Bureau of Customs furnish the Immigration and Naturalization Service information concerning aliens who are arrested for criminal offenses involving narcotic drugs or marihuana.

Drug detection methods and devices

The Task Force discussed many technical devices presently available and in the experimental state that would aid in the detection of drugs at the border.

Because further study is necessary of the many scientific considerations that are necessary in determining the feasibility of a potential border detection device, a committee should be established to review the devices which may become available for future utilization. The White House Office of Science and Technology should be consulted for assistance in this endeavor.

Dogs, German shepherds particularly, have been trained to detect marihuana, and one such animal is being used by Customs at San Ysidro, California. It has been under test for approximately one year, not only at San Ysidro border points, but also at air cargo sections, mail sections and at other points along the border. Results have not been conclusive but tend to indicate that the dog requires considerable time, manpower and effort to sustain. The dog has assisted in the detection of some marihuana and definitely has a psychological effect on smugglers amounting to a limited deterrent. However, the limited work time of the dog is approximately four hours per day. It requires a trainer-handler who might otherwise be engaged in regular searching activities.

The Army has trained a number of dogs for these purposes. However, there is a problem of Army involvement on the Mexican border because of *posse comitatus* statutes.

There are numerous perimeter detection devices that could be utilized to cover the border area. These would be used primarily by the Border Patrol to cover border areas outside of designated crossing points. The Border Patrol is presently using a sensor device, which when activated, indicates to a centralized unit that an object has crossed the border at the point. Regardless of what devices are implemented, there must be sufficient manpower to back them up. The intrusion device presently used at the border enables the Border Patrol to detect more intruders than could possibly be done with the human eye at night, but its effectiveness in stopping intruders can only be measured in terms of available personnel to follow up each border-crossing detection.

The Task Force recommends:

A committee should be established to study existing means of detection to evaluate their relative effectiveness. The Office of Science and Technology should participate in this study and render technical advice and assistance to the committee.

The United States Government should obtain perimeter detection devices that are economically feasible and practical for use on the border.

Border surveillance of aircraft and vessels

Based on reports submitted to the Task Force, it would appear the use of aircraft in the smuggling of drugs from Mexico is on the increase and it poses a problem requiring more attention. Air smuggling usually involves small rented or leased planes which proceed to obscure airports or makeshift landing fields in Mexico. Upon returning to the United States they either discard their contraband by air drops at secluded locations or they land at small private fields or on roads where their presence is unlikely to be observed. Present efforts to detect these illegal flights must be considered inadequate.

The Immigration and Naturalization Service currently employs 20 planes along the Mexican border. They are primarily used for observation purposes and are not considered to have pursuit capability. In addition, they maintain an Air Intelligence Center at Yuma, Arizona, where data on 73,000 private aircraft and pilots, including pilots suspected of alien smuggling, is catalogued.

The Bureau of Customs has only one aircraft at the present time. It has pursuit capability and is used primarily in the investigation of smuggling at the Mexican border.

The pilots of these government planes have gathered, in the normal cause of their contact within the flying fraternity, considerable information of value relating to smuggling activity. Wider dissemination and exchange of such intelligence is clearly desirable.

In examining the role of the Federal Aviation Administration in relation to illicit flights and the licensing of pilots, it is apparent that existing regulations and sanctions should be reviewed at an early date. For example, at the present time, private pilots of non-commercial aircraft are not required to file a flight plan on a non-instrument flight prior to departure for Mexico. Precedence exists for the promulgation of such requirements. Conviction for smuggling or other felonies is not grounds for the revocation of an airman's license. Only the airman's skill and physical fitness is an issue in such action.

There is some recent evidence to indicate that small pleasure boats are sometimes used in drug smuggling. Smuggling by boat is potentially a very serious problem. It represents a means of smuggling that is very difficult to control. Effective surveillance of the thousands of pleasure crafts operating in the waters off southern California and in the Gulf of Mexico would represent a Herculean task and would not, at this time, justify the expenditure of manpower and equipment necessary to implement a meaningful program. Better coverage might be achieved at various Mexican ports of call and investigative procedures relating to small vessels should concentrate on gathering intelligence on their illegal use.

The Task Force recommends:

FAA regulations should be amended to require the filing of a flight plan prior to departure of all aircraft on international flights between Mexico and the United States.

FAA statutes and regulations should be revised to permit license revocation in the case of pilots convicted of smuggling, or possession of contraband drugs.

Existing radar facilities along the Mexican border should be expanded and improved to conduct greater surveillance of low altitude aircraft and canyon air corridors.

Pursuit-type aircraft should be utilized on an increased basis to combat smuggling by air.

Utilization of enforcement personnel

The Bureau of Customs, the Bureau of Narcotics and Dangerous Drugs, and the Immigration and Naturalization Service need greatly increased manpower to carry out the duties and responsibilities of their respective agencies. Should a manpower increase be granted, the agencies would utilize these additional personnel as follows:

1. Customs would significantly increase its agent personnel, a substantial portion of whom would be assigned to augment the antismuggling drive by increasing information gathering facilities and emphasizing smuggling conspiracy investigations.

2. The Border Patrol would utilize new personnel at border areas other than designated crossing points. This would augment the Border Patrol's current effort to make it more difficult to avoid the ports of entry and to discourage potential smugglers from using unauthorized entry areas.

3. The Bureau of Narcotics and Dangerous Drugs would utilize its additional manpower

to develop intelligence data, form specialized mobile units, and expand undercover operations and conspiracy-type investigations.

IV. THE CONTROL OF MARIHUANA AT ITS SOURCE

There is considerable opium poppy cultivation in Mexico, usually in remote and inaccessible areas in the interior. Generally, it is grown on relatively small plots by individual farmers as a supplemental money crop, primarily in the states of Sinaloa, Sonora, Jalisco and Morelos and to a lesser degree in Durango and Nuevo Leon.

Marihuana presents an even greater problem due to the fact that its prolific growth is both wild and cultivated. It can be found in practically every state in Mexico, although Guerrero, Jalisco, Sinaola and Tamaplipas are the major sources.

Remote sensing

In the absence of specific information from informants, the only practical method of locating these crops is through the use of remote sensing devices. For a number of years, the Mexican Government has employed light observation planes and helicopters on spotting missions, but it would appear that these operations to date have not been of sufficient scope to cover adequately the vast land area where these crops can be found. The use of broad remote sensing techniques in states involved, with subsequent crop identification by agricultural experts, would appear to be more efficient and effective. If the Mexican Government has such a capability at the present time, it is not being used for this purpose. On the other hand, there is no question that the United States is capable of undertaking such missions.

Airborne remote sensing of marihuana may be feasible with a minimum of investment and technical assistance with systems already developed. NASA and the Government of Mexico have already initiated an agreement to develop a Mexican remote sensing capability. As far as we know, remote sensing has not yet been tested specifically for marihuana and poppy detection. This should be done by interested United States agencies. If the results are positive, we should make them available to the Mexican Government and urge it to acquire whatever equipment is required. The question arises as to what extent NASA can commit its resources to this program.

The Task Force recommends:

With the participation of the State Departments, there should be early discussion between appropriate officials of the Mexican and United States Governments concerning efforts to implement effective remote sensing surveys.

The Attorney General should be requested to direct an inquiry to the Director of NASA concerning the participation of NASA in helping to develop a remote sensing capability for marihuana control in Mexico.

The Attorney General should be requested to direct an inquiry tc the Secretary of Agriculture concerning the participation of the latter's manpower and resources in development of a Mexican remote sensing capability. Remote sensing priority should be placed on known regions of opium poppy and marihuana cultivation.

Crop eradication

For the most part, the Mexican authorities have relied on manual eradication of opium poppies. This simple but tedious process consists of breaking the stems with a wooden switch or cane, causing the plant to wither and die. As an added measure, the crude irrigation devices and protective fences are destroyed. Marihuana crops are usually burned, sometimes after being uprooted.

There are considerable difficulties associated with crop destruction. These crops are often grown in extremely difficult terrain in some of the most remote areas of Mexico, creating severe problems in transporting men and equipment to the scene. The local growers have, on occasion, resorted to armed resistance against the eradication teams resulting in death and injuries to the personnel involved. This particular problem is serious enough to require escorts of squads of heavily armed soldiers. In view of the foregoing, the Task Force is impressed with the potential effectiveness of chemical crop destruction utilizing aircraft.

The use of chemicals would undoubtedly involve considerable funding, but until the actual crop acreage is known, a realistic cost estimate cannot be made. Before embarking on such a program, it would be necessary to obtain the agreement of the Mexican Government. It is not known whether the Mexican Government would be willing to authorize and finance such programs. Alternative sources of funding might be available, such as grants from U.S. agencies or international organizations, i.e., Pan American Union, the World Bank, or even private foundations in the United States.

The Task Force examined the possibility of crop substitution programs which would encourage the small farmer to abandon the cultivation of opium poppies and marihuana. It would appear for the present at least, that such a program would not be feasible or practical.

The Task Force recommends:

The appropriate Departments should be requested to broaden their current research and experimentation to determine the most effective and practical methods for the destruction of opium poppy and marihuana crops.

The Mexican Government should be consulted by the State Department concerning broad programs for marihuana and poppy crop destruction.

A survey should be conducted of funding sources to support crop eradication programs, said survey to include other than U.S. or Mexican Government agencies.

Flow of traffic in Mexico

Interdiction of the flow of drugs in Mexico presents several unique problems. Elements of the traffic are located in remote areas, removed from adequate transportation and communication facilities. Heroin laboratories are operating in scattered locations, including some in desolate mountain regions and isolated villages. European heroin passing through Mexico enters by ship in the eastern part of Vera Cruz and by air at Mexico City. The capital city is also a transfer point for significant quantities of cocaine en route to the United States from South American sources. Marihuana is gathered at rural points and large consolidated shipments are prepared for movement north to the border.

With the recent increase in dangerous drug abuse in the United States, metropolitan areas in Mexico have emerged as sources of this material, both in clandestine production and diversion from legitimate industry. All of these drugs eventually move northward to the border in vehicles ranging from automobiles with sophisticated traps to tractor trailers.

An analysis of drug seizures clearly indicates that the bulk of this traffic moves to the California and Arizona border points via Mexican Highway #15 to Santa Ana in the state of Sonora. Here it either continues on Highway #15 to Nogales and other Arizona points of entry or moves westward on Highway #2 to western Arizona and California. Alternative routes simply do not exist in that region. Although there are checkpoints on these highways, they are only used for the control of southward traffic. If adequately staffed facilities were established south of Santa Ana on Highway #15 and on Highway #2 west of that city, it would impede the flow of these drugs to the border.

The violator in Mexico can be typed on the basis of his individual role in the traffic. He may be the grower, the laboratory operator, the courier who transports the drugs to the border, or the recipient who employs the actual smuggler. The Mexican authorities should give appropriate attention to each phase of the smuggling operation so that meaningful results can be achieved.

The Task Force recommends:

The Mexican Government should be urged to establish adequate northbound inspection points along Highways No. 15 and No. 2.

They should also be urged to tighten control over the legitimate production and distribution of dangerous drugs, and to monitor the sales and distribution of chemicals essential in the manufacture of heroin, particularly acetic anhydride.

Steps to encourage Mexican cooperation

The United States Government can assist the Mexican Government in establishing better enforcement techniques, especially with regard to narcotics and dangerous drugs. Seminars on this problem should be held, attended by BNDD, Customs, and Mexican Judicial Police to cover all aspects of drug trafficking. This could later be expanded into a school similar to what is available in the United States, with an equal number of students from both countries.

The Mexican Government should be urged to establish a bureau solely for the enforcement of narcotic laws. United States technical and financial assistance could be used to enhance this endeavor.

More specific intelligence information should be made available to the Mexican police. If substantive evidence concerning specific individuals would be presented to the Mexicans for their exploitation, the probability of arrest and prosecution of these violators would be greatly enhanced. Similar efforts with Italian officials concerning the Mafia families produced immensely successful results. The same technique may be effective in Mexico.

The Task Force recommends:

The Mexican Government should be encouraged to establish a Bureau of Narcotics with initial technological and financial assistance from the United States, where necessary and appropriate.

The United States authorities should provide more specific information to the Mexican Government describing the scope of the traffic along with names of drug traffickers known to be operating in Mexico.

Joint seminars should be established between The United States and Mexico for the interchange of information relating to enforcement techniques with regard to narcotics and dangerous drugs.

V. PROCEEDINGS AGAINST VIOLATIONS

Prosecution of violators in the United States

The prosecution of drug traffickers in this country is based on a multitude of statutes. The laws regulating the smuggling of narcotic drugs and marihuana are generally inflexible in terms of minimum mandatory penalties. These penalties are applicable, not only to major violators but also to a broad range of offenders, some of whom are relatively minor offenders. As a result, it has been necessary to bring technical prosecutions under other statutes to avoid the imposition of mandatory sentences and in other cases, a program of deferred prosecution has been used to the same end. As a last resort, it has been necessary to decline prosecution, all in the interest of the fair administration of justice and in consideration of the nature of the offense.

In recent years, we have witnessed a dramatic increase in the number of drug prosecutions. The Administrative Office of the United States Courts reported that there was a 31.9% increase in narcotic prosecutions during the first half of fiscal year 1969 as compared to comparable period in the previous fiscal year. Approximately one-half were commenced in the judicial districts abutting

the Mexican border. These courts are severely overburdened with a disproportionate number of criminal cases of all types. During fiscal year 1968, over twice as many criminal cases were filed and terminated in these districts than in the five judicial districts located between Connecticut and eastern Pennsylvania, one of the most densely populated regions in the United States. In fact, there were six times as many narcotic cases filed in the border districts compared with those in the eastern districts.

This inordinate situation is also reflected in the heavy case loads assigned to the Assistant U.S. Attorneys in the border districts. The problem is further compounded by the relatively few federal judges available in these districts.

Because of the congestion, there has been a parallel problem regarding bail for drug offenders, which has necessitated the release, pending trial, of violators who might otherwise be held on high bond for early prosecution. The result has been a high incidence of new offenses by persons awaiting trial and bail jumping. In the case of Mexican nationals, the defendants often seek sanctuary across the border.

The Task Force recommends:

Federal statutes relating to the smuggling of narcotic drugs and marihuana should be revised to permit greater flexibility in the prosecution of such violators.

Serious consideration should be given to increasing the number of federal judgeships in border districts.

The staff of U.S. Attorneys in border districts should be enlarged to handle the heavy criminal caseload.

As an interim measure, consideration should be given to the use of visiting and retired judges and Special Assistant U.S. Attorneys from other districts.

There should be an appropriate increase in the staff of the Criminal Division of the Department of Justice to complement any increase in U.S. Attorney staffing and, specifically, to provide assistance in highly complex drug cases involving major violators.

Prosecutions in Mexico

The federal laws of Mexico relating to narcotic drugs and marihuana, in a general sense, are similar to those of the United States. We are informed, however, that Mexico has not enacted laws similar to our laws regulating stimulant, depressant and hallucinogenic drugs.

With regard to narcotic drugs and marihuana, the Mexican Government has assured us that it is within their power to prosecute their nationals in Mexico for violations of the Mexican laws, even though such violations occur in the United States. A recent ruling by the Supreme Court of Justice for Mexico has upheld such a prosecution. The ruling was handed down on January 13, 1969, under Mexican appeal number 4032/968–2a, by the First Cabinet of the Court, in the case of Mario Aguilera-Smith, a fugitive from American justice.

Aguilera, a Mexican national, had been arrested on January 3, 1966, at Tijuana, B.C., Mexico, based upon evidence presented by the United States. On August 5, 1967, Aguilera was convicted of exporting, trafficking and furnishing heroin. He was sentenced to six years' imprisonment and a fine of 1000 pesos. An intermediate appeal to the 4th Circuit Tribunal at Guadalajara had resulted in the affirmance of Aguilera's conviction.

Existing extradiction treaties with Mexico, although listing narcotic violations as extraditable offenses, grant discretion to the parties in respect of requests for their own nationals.[14] The Government of Mexico will prosecute locally persons who are fugitives from justice in the United States. Its present policy is to deny requests for the Extradition of Mexican nationals. The United States Government generally grants extradition requests for its nationals.

The Task Force recommends: *The United States should take immediate steps to present to the Republic of Mexico for prosecution selected cases involving narcotic and marihuana violations by fugitive Mexican nationals.*

VI. ROLE AND RESPONSIBILITY OF STATE DEPARTMENT IN SECURING MEXICAN COOPERATION

The Department of State is the primary representative for communicating to foreign governments the vital interests of the United States and for doing everything necessary to advance those interests through diplomacy. The consumption in the United States of drugs and narcotics produced abroad and illegally imported into this country has reached such proportion as to be in the highest rank of those matters affecting the vital interests of the nation.

Accordingly, the Department of State, in its dealings with the highest officials of Mexico and in the setting of agenda therefore, should give no subject higher priority or greater emphasis than the desire of the United States to realize an eradication of the production and refinement in Mexico of opium poppies and marihuana in violation of Mexican law. The basic responsibility for effecting such control lies with the Government of Mexico and its law enforcement agencies. Nothing should be done which would weaken or shift that burden of responsibility. Only a massive, continuous effort, directed by the highest officials of Mexico, will significantly curtail the production and refinement of marihuana and other dangerous drugs.

The Task Force recommends:

The Department of State must devote its efforts to persuading Mexico to place a program for eradication and control of marihuana and dangerous drugs among the highest of its national priorities.

The United States Ambassador in Mexico should have this problem on his highest priority list on a continuing basis.

FOOTNOTES

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[2] Isbell, H. et al., *Effects of Δ⁹ Tetrahydrocannabinol in Man,* Psychopharmacologia, 1967, pp. 184–188.

[3] Blum, R. H. et al., *Students and Drugs,* Vol. II, 1969, pp. 31–47.

[4] Hearings before the Subcommittee to Investigate Juvenile Delinquency of the Senate Committee on the Judiciary, Mar. 4–6, p. 4658, 1968.

[5] Eddy, N. B. et al. *Drug Dependence: Its Significance and Characteristics.* Bull. World Health Organization. 32:721, 1965.

[6] Weil, A. T. et al., *A Controlled Study of Cannabis in Humans,* Science, pp. 1234–1242, 1968.

[7] Ungerleider, J. T. et al., *A Statistical Survey of Adverse Reactions to LSD in Los Angeles County,* American Journal of Psychiatry, Sept., 1968, p. 355.

[8] *Cannabis,* Report by the Advisory Committee on Drug Dependence, 1968, pp. 14–34.

[9] McGlothlen, W. et al. *American Journal of Psychiatry,* Sept., 1968, p. 373.

[10] 1968 Alcohol and Highway Safety Report, U.S. Government Printing Office, 1968, pp. 11–21.

[11] Marihuana and Society, Journal of the American Medical Association, June 24, 1968, pp. 1181–1182.

[12] World Health Expert Committee on Drug Dependence, WHO Technical Report Series 407, 1969, p. 19.

[13] Task Force Report: Narcotics and Drug Abuse. President's Commission on Law Enforcement and Administration of Justice, 1967, p. 13.

[14] Treaty of Extradition with Mexico, Feb. 22, 1899, 31 Stat. 1818, T.S. No. 242 (effective April 22, 1899); Supplementary Extradition Convention with Mexico, December 23, 1925, 44 Stat. 2409, T.S. 741 (effective July 11, 1926); Supplementary Extradition Convention with Mexico, August 16, 1969, 55 Stat. 1133, T.S. No. 967 (effective April 14, 1941).

RATIFICATION OF DIRECT POPULAR VOTE APPEARS LIKELY

Mr. GRIFFIN. Mr. President, a formidable amount of evidence is being gathered which demonstrates not only wide popular support for a direct election amendment but also a strong likelihood that such an amendment would be ratified by three-fourths of the State legislatures.

In a poll of State legislative leaders conducted by Nation's Business, and released in its September issue, a strong preference was shown for the direct popular vote over various other alternatives. Of the overwhelming majority of State leaders favoring a change in the present electoral system, over two-thirds favored the direct vote. Only 20 percent supported the district plan, while the remainder was split among three other proposals including the proportional plan.

The poll and perceptive analysis in Nation's Business provides further support for two conclusions I arrived at as the result of my recent survey of 27 State legislatures. First, serious opposition from the least populous States is not evident; and second, the popular vote amendment is more likely to be ratified than either the district or proportional plans.

For proponents of electoral reform who have hesitated to support the direct popular vote because of potential difficulty in getting it adopted, the evidence now shows that the most theoretically desirable proposal is also the most practical solution. In fact, the other plans should be considered suspect in light of the relatively small support they have generated.

I ask unanimous consent that the article from Nation's Business and a report prepared by the American Bar Association, showing support for the direct vote from various sources, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From Nation's Business, September 1969]

THE POPULAR VOTE IS POPULAR

An overwhelming majority of the leaders of state legislatures favor a change in the method of choosing a President, with direct popular election the favorite choice by far.

Those are key findings of a Nation's Business survey to determine the thinking of influential figures at the state level, where the final decision will be made, on the various proposals for a constitutional amendment to change the method of selecting the nation's Chief Executive.

While the spotlight remains on continuing deliberations in Congress, a vital question is whether any amendment sent to the states could gain ratification in 38 legislatures.

Nearly 120 of the men who serve in the states as speakers of lower houses, presidents of Senates or majority or mniority leaders voted 6 to 1 in the survey for a change in the Presidential election system. At least one leader from every state participated.

"Any change has to be an improvement," one commented with an air of desperation.

More than two thirds of those advocating

a different system endorsed the direct popular vote.

Slightly over 20 per cent supported the district plan, in which one elector would be chosen from each Congressional district and two at-large in each state. Their electoral votes would go to the candidate who won the popular votes in their district or state.

The balance of sentiment in the poll favored:

The proportional plan, in which the electoral vote would be divided in the same ratio as a state's popular vote.

Retaining the present "winner-take-all" electoral system but requiring electors to reflect the popular vote and, in case no candidate gets an electoral majority, giving each House member, instead of each state's delegation in the House, one vote.

No change at all.

Both the district and proportional plans would retain the present allocation of electoral strength—each state with a number of electors equal to the total number of Representatives and Senators it has in Congress.

The extra voting strength smaller states derive from automatically having two electors corresponding to their two Senators regardless of population has been a particular target of the direct vote partisans.

The example most frequently cited is that of Alaska, where each Presidential elector represents 85,000 residents, and California, which has one elector for every 500,000 citizens.

But other critics of the Electoral College argue that giving a candidate all of a big state's elector votes, no matter how close the popular count, works against smaller states.

CITE COLLEAGUES' SENTIMENT

Of the legislative leaders favoring the popular vote system, 75 per cent indicated they felt their respective houses of the legislature would approve, although some conditioned their optimism and said it would take an all-out campaign.

Their strong support for choosing the President by popular vote reflects the broad, grass roots backing for the change evident in various opinion surveys.

An upsurge of interest and concern was generated during the 1968 Presidential campaign. It appeared then that the "constitutional time bomb," as one critic has called the present electoral system, was going to go off and the choice of a President become bogged down in wrangling and dealing in the Electoral College or the House.

The close call was enough to get Congress moving early in this session on legislation to change the system.

The House Judiciary Committee has approved a resolution calling for a constitutional amendment that would put Presidential elections on a direct, popular vote basis and the Senate Judiciary Committee is expected to follow suit.

Despite the high level of interest in change, particularly in the direct vote plan, it is by no means certain such an amendment will be adopted quickly, easily—or at all.

SMALL STATE ISSUE SHRINKS

The Nation's Business poll demonstrated that one of the thorniest problems confronting the framers of the Constitution, protecting small-state interests, has faded in some smaller states, but not in others.

Howard F. McKissick Jr., speaker of the Nevada Assembly, gave one of the most succinct endorsements to the direct vote system: "It is the fairest. It is the most popular and best understood."

Gordon McGowan, president pro tempore of the Montana State Senate, was more eloquent in a handwritten reply on a letterhead bearing the legend, "The Big Sky Country":

"The person receiving the largest number of votes should be the winner. . . . In our American life a team or an individual that scores the most points, as long as it is accomplished within the rules, is the winner. This process is as American as apple pie and I believe the system favored by the majority of voters.

George C. Herring III, speaker of the House in Delaware, one of the smallest states, called for "straight election by popular vote because democratic rule is founded on expression by majority vote."

But Thomas B. Avery, majority floor leader of the Tennessee House, said in endorsing the district system that it would "preserve the additional weight allowed small states by the constitution."

"States and regions need to retain some autonomy," said John D. Vanderhoof, speaker of the Colorado House, who also called for the district plan.

Concern over protecting regional interests is by no means limited to smaller states. Speaker Bob Monagan of the California Assembly expressed "reservations about the wisdom of direct popular election because of the emphasis it puts on a simple majority without regard to a balancing of the various regional interests in the nation."

He added: "Neither a strong majority nor strong regional interests can be ignored if we are to achieve some degree of national harmony and unity and the present electoral system strikes a balance."

And Earl W. Brydges, temporary president of the New York Senate, commented that "the present system, while it has imperfections, has worked well and also preserves the influence of the larger states."

APPENDAGE REMOVAL

But Jess Unruh, now minority leader of the California Assembly, viewed electoral reform this way:

"No modern politician who values his profession dares to argue that the American electorate is incompetent to elect the President of the United States. If this is so, all rational argument against popular Presidential election disappears. The Electoral College is a useless and occasionally dangerous appendage on our body politic. It must be removed."

O. J. Goodwyn, president of the Alabama Senate, said direct election would be "the most democratic way and, in my opinion, would eliminate the division of the nation into minority groups."

Brad Phillips, Alaska Senate president, said the general feeling in his state was that "the present electoral system has the potential of frustrating the popular vote."

Robert F. Smith, speaker of the Oregon House, asserted that "the present system has outlived its usefulness. The only viable alternative which has been proposed, and one which the electorate would easily understand, is the direct popular election of the President.

"It is much more sensible to have an election settled on the basis of the popular vote, regardless of the margin, than to turn an election over to the House of Representatives and kick the door open to the possibility that a candidate not receiving the highest number of votes is elected President."

CITY MACHINES SUSPECTED

On the other side, Dexter H. Gunderson, speaker of the South Dakota House, was emphatic in rejecting the popular vote plan: "The giant city machines seem to vote in peculiar patterns, leading one to believe that these election outcomes could be rigged."

Marshall W. Cobleigh, speaker of the New Hampshire House, said a direct election system involves many pitfalls, including the prospect of an outcome so close a nationwide recount is needed.

William L. Sullivan, temporary president of the Kentucky Senate, said direct popular election "ignores the rights of the states of more sparsely settled areas. I feel that our forefathers meant for such rights to be protected."

While leaders in such larger states as Michigan and Illinois endorsed direct popular voting themselves, they expressed doubt over whether their legislatures would ratify such a change.

"Unfortunately, the development of the new system is not as easy as criticizing the present," wrote W. Russell Arrington, temporary president of the Illinois Senate.

Nevertheless, the issue appears to be shaping up as one between a direct popular vote or no change at all. Capitol Hill sources close to the situation say it would be difficult to rally the two-thirds vote needed in each house for the popular vote plan but altogether impossible to win that much backing for the district or proportional plans, or lesser modifications.

And gaining approval of three-fourths of the states is no easy matter, even with issues far less controversial than that of how a President should be elected, the Congressional experts say.

The most recent constitutional amendment, Article XXV on Presidential Disability and Succession, had little opposition when it was submitted to the states in July, 1965. But it was February, 1967, before it finally was ratified.

That type of delay is a reason why backers of the direct vote amendment are planning to keep the pressure on to get it to the states as soon as possible. They know that, despite the heavy support from many of the legislative leaders, there may be hard going among rank-and-file lawmakers in some states.

(Backers of the popular vote plan were greatly encouraged, however, when a poll of nearly 4,000 legislators in 27 states showed almost two-thirds of those responding favored that method of choosing a President. The survey was made by Sen. Robert P. Griffin (R.-Mich.), who said he was now convinced the direct vote method stood a better chance of gaining state approval than either the proportional or district plans. He had favored the proportional system.)

The various efforts to determine sentiment throughout the country are thus continuing to show that support for a popular vote amendment is far more extensive than had been generally realized.

One reason may be that offered by Montana's Gordon McGowan: "Most people find it hard to believe that the candidate with the largest popular vote might not be President."

WHO FAVORS DIRECT POPULAR ELECTION OF THE PRESIDENT OF THE UNITED STATES?

THE PEOPLE

(Gallup poll, November 1968)

	Percent
Nationally	81
Regionally:	
East	82
Midwest	81
South	76
West	81
Community size:	
Over 1 million population	78
Under 2,500 population	78

CONSTITUENTS

[Percentages rounded off to the nearest tenth. Based on surveys by members of the 91st Congress]

	Percent
Anderson (R-Illinois)	71
Ashbrook (R-Ohio)	74
Beall (R-Maryland)	80
Blatnik (D-Minnesota)	69
Broomfield (R-Michigan)	91
Broyhill (R-North Carolina)	78
Burke (R-Florida)	87
Carter (R-Kentucky)	78
Chamberlain (R-Michigan)	65
Corbett (R-Pennsylvania)	77
Cowger (R-Kentucky)	94
Dellenback (R-Oregon)	85
Denney (R-Nebraska)	66
Devine (R-Ohio)	75
Edwards (R-Alabama)	60

CONSTITUENTS—continued

	Percent
Eshleman (R-Pennsylvania)	74
Ford (D-Michigan)	85
Frelinghuysen (R-New Jersey)	55
Gilbert (D-New York)	77
Johnson (R-Pennsylvania)	77
Kyl (R-Iowa)	79
Kuykendall (R-Tennessee)	73
Latta (R-Ohio)	85
Mailliard (R-California)	56
Meskill (R-Connecticut)	80
McClory (R-Illinois)	75
McDade (R-Pennsylvania)	76
Minshall (R-Ohio)	86
Mizell (R-North Carolina)	67
Ottinger (D-New York)	74
Pelly (R-Washington)	79
Pettis (R-California)	69
Quillen (R-Tennessee)	80
Ruppe (R-Michigan)	75
Schneebeli (R-Pennsylvania)	84
Smith (R-New York)	85
Springer (R-Illinois)	80
Stanton (R-Ohio)	85
Taft (R-Ohio)	82
Thompson (R-Georgia)	73
Whalen (R-Ohio)	79
Winn (R-Kansas)	85
Wyatt (R-Oregon)	76
Wydler (R-New York)	75
Zwach (R-Minnesota)	69

STATE LEGISLATORS

In July, 1969, Senator Robert P. Griffin (R-Mich.) sent a questionnaire to members of the legislatures in the 27 least populous states. The first question presented was as follows:

"Would you, as a state legislator, vote to ratify a proposed constitutional amendment abolishing the electoral vote and providing for election of the President by direct popular nationwide vote?"

64% of responding legislators answered in the affirmative.

By state, the result was as follows:

	Percent
Alabama	60
Alaska	69
Arkansas	75
Delaware	64
Georgia	56
Hawaii	92
Idaho	47
Louisiana	79
Maine	63
Maryland	70
Mississippi	59
Montana	65
New Hampshire	69
New Mexico	70
Nevada	73
North Carolina	58
North Dakota	37
Oklahoma	53
Oregon	66
Rhode Island	81
South Carolina	62
South Dakota	66
Texas	60
Utah	69
Vermont	77
Virginia	55
Wyoming	55

THE PRESS

A sampling of editorial opinion:

Arizona—Tucson Daily Citizen: "No matter how valid the original reasons for creating the electoral college, it is undeniably true that direct popular election of the president and vice president is the fairest and most democratic way to fill these offices."

Arkansas—Arkansas Democrat: "The first step for a constitutional amendment is approval by two-thirds vote in both houses of Congress. With people like Wilbur Mills behind this campaign—a Southerner and one of the most respected men in Congress—we are certain the Congress will act in time to permit 38 states to ratify it and the people to vote directly for the next President."

California—The Fresno Bee: "Several plans have been offered to reform the electoral college, so that it would more accurately and dependably reflect the popular vote. The ABA's proposal to abolish the entire system is superior and simpler. The bar calls for direct popular election of the president."

Washington, D.C.—The Sunday Star: "It's Time to Elect the President Directly."

Washington, D.C.—Washington Post: "The first essential for correction of this defective system is a constitutional amendment providing for direct, popular election of the President."

Georgia—The Atlanta Constitution: "Overall, the advantages of direct election are overwhelming."

Illinois—Rockford Morning Star: "The constitutional amendment process is slow, but if the Presidents are ever to be elected solely on the basis of the popular vote, the wheels should be set in motion without delay to bring about this reform."

Indiana—The Indianapolis News: "That principle now applies in every other type of direct election for congressional, state or local office. It ought to control in presidential elections as well."

Minnesota—St. Paul Pioneer Press: "Weaknesses of the electoral college system are universally recognized. A switch to direct popular vote, the method used throughout America in other elections, would eliminate the dangers and loopholes of the electoral college."

Missouri—St. Louis Post-Dispatch: "With the ABA commission, we are convinced that electoral college reform would not impair our federal system. Governors would continue to be popularly elected in each state. U.S. Representatives would continue to be chosen by local districts, Senators by popular vote in the states. The only change would be that the highest national office, which deals with primarily national problems, would be filled by the same election process—one man, one vote—we use at the state, district, county and city levels."

New Jersey—Paterson Evening News: ". . . there is a good chance that popular direct vote may become a fact. The President and Vice President would then become the popular choice of all those voting, and perhaps more people will vote for that reason."

New York—New York Times: "The most desirable and simplest reform would be an amendment providing for direct election of the President and Vice President by popular vote. This would eliminate a host of problems inherent in the present system."

North Carolina—The Charlotte Observer: "The recommendation (direct election) has merit. While the Electoral College in this century has luckily avoided plunging the nation into a crisis over presidential succession, the potential is always there. And while the existing machinery sputters along, it perpetuates injustices that ought to be eliminated."

Ohio—The Toledo Times: "But the dilemma of this year's election certainly emphasizes the need for the direct, popular election of president and vice president in the future."

Pennsylvania—Pittsburgh Post-Gazette: "A direct popular vote would rule out the specter of a minority-elected President sitting in the White House."

NATIONAL ORGANIZATIONS

Business: U.S. Chamber of Commerce; National Federation of Independent Business.

Labor: AFL–CIO.

Legal Profession: American Bar Association; Federal Bar Association.

THE PESTICIDE PERIL—XLVIII

Mr. NELSON. Mr. President, earlier this summer Sunset magazine responded to the serious threat to our environment from the use of persistent, toxic pesticides by banning advertisements for all products containing DDT from their publication.

Their concern is so great that the publishers of Sunset have decided that a ban on advertising was not enough. They have followed through with an article entitled, "It's Time To Blow the Whistle on DDT," published in the August issue. The article explains to their readers why DDT and related pesticides should be banned entirely from public use and, of particular significance, what effective and safe alternatives exist for the home gardener.

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:

IT'S TIME TO BLOW THE WHISTLE ON DDT

Here is why, and here is what to use instead of DDT and several related chlorinated hydrocarbons.

The DDT furor prompted us to make a *Sunset* survey early this summer. We tallied active ingredients in insect poisons sold for home gardens in the West.

The most frequently packaged ingredient turned out to be pyrethrum (or pyrethrins). An organic poison taken from flowers of a chrysanthemum, it has been widely used for generations. Aside from causing a skin allergy to a few people, it has never backfired upon or surprised mankind. We found it in 36 products.

The second most-packaged ingredient was DDT, active ingredient in 35 products.

You've probably read and heard a great deal about widely used DDT lately. These are the basic points:

DDT became a chemical hero in the mid-twentieth century when it combated malaria-carrying mosquitoes and typhus-carrying lice.

DDT also became a hero to Western gardeners. It is safer for the user than many old and new insecticides because there is no danger of directly poisoning yourself with it. It is especially useful on insects where its lie-in-wait persistence counts.

But we also know now that good old persistent DDT has, in the 27 years since its introduction, spread around our earth—being found now in infintesimal-to-significant quantities in soil, water, air, and organisms almost everywhere.

It has been discovered that many forms of wildlife—brown pelicans, peregrine falcons, and bald eagles, to name a few—(1) have large quanties of DDT in their systems and in their eggs, and (2) are, in some areas, no longer capable of reproducing. Biologists are convinced that *fact 1* plus *fact 2* is enough to indict DDT.

On the other hand, some manufacturers and packagers of DDT and related chemicals, and some scientists and government workers claim that the evidence is inconclusive, that other persistent chemicals could have caused the damage, and that the biologists are merely making allegations instead of supplying proof.

DDT is known to be accumulating in man's tissues, too, but there is no proof (yet) that this accumulation is doing biological damage.

How does it all add up?

Is it DDT in the birds and their eggs that causes the eggs or the embryos to fail—or could it be other chemicals or some unknown manifestation of civilization?

Sunset believes that we cannot afford to debate this question while using DDT any longer. The evidence against DDT as the cause of bird failure is such that we must agree with the biologists.

Other chemicals on the store shelves will do the same garden jobs as DDT.

Therefore, we urge our readers to cease buying DDT right now.

We also urge *Sunset* readers to cease buying most of DDT's close relatives.

DDT and 11 other garden insecticide ingredients are chlorinated hydrocarbons.

All share in varying degrees the troublesome characteristic that scientists call *nondegradability*. Many kinds of insecticides break down or change into harmless substances within hours or days after application. The chlorinated hydrocarbons—with the possible exception of methoxychlor—break down slowly, frequently into chemicals of equal hazard. They retain their chemical potency, wherever nature may take them, for years.

We have put together a dossier on the chlorinated hydrocarbon insecticide ingredients sold to Western gardeners. Wherever we found in scientific literature a documented statement that some chemical had polluted an environment, had been found in non-target organisms, or had caused biological damage to a non-target organism, we noted it on that chemical's dossier card.

All the dozen chlorinated hydrocarbons except methoxychlor have marks against them. They vary in the number of bad marks, and their records, relate rather directly to how much they've been used.

Five chlorinated hydrocarbon insecticide ingredients are as bad or almost as bad as DDT in the degree to which they have spread about the world and to which they are suspected of causing death and failure of wildlife. They are: Aldrin (in 1 product); DDD (in 2 products); Dieldrin (in 10 products); Endrin (in 1 product); Heptachlor (in 3 products).

You should stop using these for anything except under-the-house termite control (the chemicals are likely to stay put there). *Sunset* will no longer recommend garden use of DDT or any of these five; will no longer accept advertising for products containing them; will remove them from future printings of its garden books; and has stopped using them in its demonstration and test gardens.

Three other chlorinated hydrocarbons should be put into the category of "use only when absolutely necessary—use a substitute if possible." Evidence of their damage to wildlife is not as complete as for the six already named, and two of them have uses for which they are unsurpassed (see chart). They are: Chlordane (in 27 products); Lindane (in 28 products); Toxaphene (in 14 products).

Two more appear in our records to be safe enough, perhaps because they are not used as extensively as the others: Kelthane (in 13 products); Tedion (in 3 products).

The 12th chlorinated hydrocarbon has no marks against it at all—for polluting, killing wildlife, or being banned anywhere: Methoxychlor (in 11 products).

What should you do with your present supplies of bottles, cans, and boxes of chlorinated hydrocarbons?

The things you should *not* do are obvious and numerous. Do not put containers in the garbage, turn them in to public agencies that aren't ready to handle them. Dump undiluted contents out on the ground or pour down the drain. By all of those means the contents could simply add to existing pollution.

Attempts to isolate the materials from the world's vapors and juices by burying the containers, putting them in a box under the house, or by any similar method might be wise for the time but would leave to chance the ultimate release of all the concentrated contents.

Government collection has been proposed but not implemented as yet.

Until a better plan is developed and announced, the best available methods is one that may seem strange:

Leave the material on your shelf and use it if there's need for it—at label-recommended dilutions. Then, throw the dry, empty container away.

Regular garden usage puts these chemicals where their slow breakdown becomes hastened—as caused by light, soil adsorption, microbial activity, and other factors. True, your routine spraying of the remainders will contribute one more iota to worldwide pollution, but it will also bring about the fastest kind of chemical deterioration that's at your disposal.

The chart below shows how you can control the common garden pests without using the most condemned chlorinated hydrocarbons. Insecticides recommended are listed under "active ingredients" on the labels, often in very small type. You have to be willing to squint a little.

Most of these recommended insecticides, being degradable, have a short effective period and must be applied more frequently than DDT and its relatives.

Insecticides on this list have their own built-in hazards. Read labels carefully. Use home and garden formulations only.

SUNSET'S 1969 CHART OF ACCEPTABLE INSECTICIDE INGREDIENTS

Ingredients	Nicotine sulfate [1]	Pyrethrum	Rotenone (cube)	Di-syston granules [2]	Meta-systox-R [1]	Cygon (dimethoate)	Sevin (carbaryl)	Malathion	Guthion [1]	Dibrom	DDVP (dichlorvos) [1]	Diazinon [1]	Methaldehyde	Petroleum oils [2]	Sodium Tuosilicate	Ethylene dichloride	Dichloroethyl ether	Methoxychlor	Kelthane	Tedion (tetradifon)	Lindane	Chlordane
PEST:																						
Leaf chesers:																						
Beetles			X				X	X				X						X				
Weevils							X	X				X						X				
Caterpillars		X	X				X		X	X		X						X				
Earwigs							X	X		X		X			X							
Grasshoppers							X	X	X	X		X										
Oak moths							X			X												
Snails and slugs													X									
Sucking insects:																						
Aphids	X	X	X	X	X	X	X	X	X	X	X	X		X								
Leafhoppers	X	X	X	X	X	X	X	X	X	X		X		X								
Mealybugs	X				X	X		X	X	X		X		X								
Scale	X			X	X	X	X	X	X	X		X		X								
Spider mites				X	X	X			X	X		X		X					X	X		
Spittlebugs	X			X	X		X	X	X	X		X						X				
Thrips	X	X	X	X	X	X	X	X	X	X		X										
Whiteflies	X			X	X	X	X	X	X	X		X		X								
Soil pests:																						
Cutworms							X		X			X						X				
Grubs							X					X						X				
Lawn moths		X	X				X		X			X						X				
Soil mealybugs				X	X							X						X				
Symphylids							X					X									X	
Wireworms												X							X			
Burrowers:																						
Codling moths							X		X			X							X			
Leaf miners			X	X	X	X		X		X		X										
Corn earworms							X															
Borers							X					X				X		X		X		
Nuisance insects:																						
Ants								X		X		X										X
Houseflies		X	X			X				X	X	X										
Mosquitoes		X	X				X	X		X	X	X										
Termites																						X
Yellow jackets																						X

[1] These are highly toxic. Use extreme care.
[2] Can be used alone or combined with nicotine sulfate, pyrethrum, rotenone, malathion, or diazinon.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECOGNITION OF SENATOR MURPHY

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from California for 30 minutes.

HIGHER EDUCATION AND THE TAX REFORM ACT OF 1969

Mr. MURPHY. Mr. President, I know that my distinguished colleagues in the Senate share my profound interest in the current hearings on H.R. 13270, the Tax Reform Act of 1969, being held by the Committee on Finance. The desire to correct tax abuses and make firm the flabbiness in our tax laws commands the attention of every concerned American. However, there are points at which an essentially constructive reform effort can lose direction and threaten to destroy the worthwhile. We face this risk when we allow proposed tax legislation to menace the viability of one of our Nation's most productive assets—higher education.

I know that my own great State of California owes an enormous debt for its fantastic growth and prosperity to the existence of a strong State-supported system of education combined with numerous excellent independent institutions. But in California and every other State, it is clear that higher education is already confronted with a financial crisis of monumental proportions. We must not—in our zeal to eliminate abuse and make taxes equitable—let certain sections of the Tax Reform Act add to the burdens on higher education.

I rise today to call these matters to your attention, Mr. President, because our colleagues on the Committee on Finance have before them a very complicated bill. I want to urge you to keep these matters affecting higher education in mind as you follow the progress of the committee hearings, so that they will not be utterly lost in the confusion which may result.

The attacks on higher education contained in the bill—and they certainly

were not meant to be attacks, but that would be the result—hit hardest at independent higher education—the independent colleges and universities. Independent higher education is a special concern to me and, I know, to many of my colleagues. It is the form of higher education compatible with the American system. It is the only reliable alternative to what would be an unhealthy total dependence on government for the education of our citizens. And it is the private institution that counts, for the most part, on charitable contributions from the private sector—that great division in our society which has often been stated makes those of us here in this happy land of America different from all the other countries on earth.

The financial stability of independent higher education is precarious at best. Tuition and other sources of income do not match the financial requirements of the growing student population, expanding knowledge and research responsibilities, rising costs of construction and maintenance, and increasing faculty and administrative expenses. We are faced with the dangerous prospect of the extinction of many of our Nation's most valuable independent institutions unless we encourage greater philanthropic activity from alumni, friends, foundations, and corporations who recognize their debt to tomorrow. The encouragement of such gifts has always been a part of our income tax laws.

High taxes today prevent the accumulation of private fortunes that might have been adequate to support many institutions. Tax laws have, nonetheless, provided a notable incentive for large donations. In figures available for the year 1966, in fact, persons with incomes over $50,000 had charitable deductions totaling $1,282,086,000. That is a significant amount of money, but it was only 5.48 percent of their total adjusted gross income, and far below the $7 billion allowable under the 30-percent charitable deduction. These figures say loud and clear that giving should be further encouraged and in no way discouraged. Instead, we find in the Tax Reform Act of 1969 the ingredients with which tax incentives for major gifts to higher education will be destroyed.

No institution will be immune to the shock of lost support from the private sector that this act will make unavoidable. If the private sector decreases its support to private higher education, we as a nation cannot hope to keep pace with our aspirations. There will inevitably be a reduction in the quality and the quantity of educational opportunity. It is evident that to discourage private contributions will increase the responsibility of government in these fields at all levels. With what logic is the public to understand a tax reform bill that increases the citizens' already overwhelming burden? The private sector of this great Nation is a willing and responsive alternative to massive Federal intervention.

This Nation owes its position of eminence to its tradition of free enterprise—a tradition in which healthy competition and the liberty to choose provide the inspiration for our unparalleled progress. Independent colleges and universities reflect the best of this system. They offer the taxpayer an incredible savings of funds that would, otherwise, be necessary for State school expansion.

For example, it was determined a few years ago that if 49 independent institutions in California should close, and if their then 78,014 students should enroll in the University of California, the additional annual cost to taxpayers would be $210,637,800. If only three of California's great independent institutions closed—Stanford, Southern California, and Caltech—the additional cost of enrolling their students in the State university would be $70,391,700 a year. These are annual operating costs only. The physical plants could not be replaced for under $2 billion. These tremendous savings to the taxpayers are accomplished because of charitable gifts and because parents, who also pay taxes, choose to pay tuition at independent institutions. Moreover, independent institutions create the environment in which a freedom of educational choice may flourish. Public and private education have been a source of mutual stimulation, and both must share a concern for maintaining the independence of private institutions. Can the Congress of the United States afford to be less concerned?

It would be inappropriate for me to go into great detail before the committee has had the opportunity to make its report. Moreover, there are a great many aspects of the bill which may affect higher education. Educators I have talked to are not opposed to everything in the bill: for example, they recognize the principle that everyone should pay his fair share of taxes, and thus they do not oppose repeal of the unlimited charitable deduction.

The proposed bill, however, hits hard at several of the best tools available to private higher education in raising funds, and let me cite just a few examples.

Life income trusts would be virtually eliminated by the bill. I am informed that for the year ending June 30, 1968, independent higher educational institutions received nearly $45 million in gifts subject to life income or annuity. Based on the House Ways and Means Committee estimates of additional tax revenue from all the tax reform provisions regarding charitable deductions, the loss to independent colleges and universities alone would be more than twice the additional revenue the Government would receive.

Another extremely popular form of giving to higher education is the gift of appreciated assets. I am told this form of gift accounts for more than half of the dollars in gifts to education, and it is also the life blood of our great nonprofit social welfare agencies including art museums. It would be substantially restricted through the allocation of deductions provisions of the proposed bill.

I was happy to note that the administration announced its opposition to this section, recommending that such gifts not be included in the allocation of deductions or limitation on tax preferences.

Other provisions would eliminate or end the usefulness of major forms of giving such as the donative sale or the short-term trust. I know of one independent institution in my State which will lose a $2 million short-term trust gift created last May, before anyone knew that the House would add retroactive provisions to the bill. But the House made many provisions retroactive, which would thus unfairly penalize donors for having made generous gifts.

A crucial point to remember in your consideration of these provisions is that we should draw a line between the kinds of tax preferences which increase spendable income, such as accelerated depreciation or percentage depletion, and the kind which decreases spendable income—a gift to charity.

This bill has been characterized—unfairly I think—as one which pits the wealthy against the poor and the middle-income, the haves against the have nots. Whether or not that description is accurate, we should remember that higher education is among the have nots. It depends on those who have to make up the difference between mediocrity and quality in education. For some, it is the difference between existence and extinction. If we destroy the incentive of the wealthy to make major gifts to higher education, then the result will be to shift an even greater tax burden to the middle-income taxpayer.

The House of Representatives, of course, had no intention of destroying independent higher education. Many of the provisions in the bill harmful to education were actually aimed at other targets, and their unintended bad effects on higher education were not appreciated.

I do not think the discussions in connection with the bill have been fully carried out so that all the ramifications might be discovered.

Certainly, tax abuses must and can be curbed without destroying one of this Nation's greatest assets.

I urge the members of the Committee on Finance to use great caution and to be carefully discriminating in their deliberations on this bill. I know that they will. I urge the Members of the full Senate not to let our understandable zeal for popular tax reform and equity destroy one of the great bastions of independent thought and action in our country—private higher education. We need to keep independent higher education in this Nation vigorous and, hopefully, expanding. We must continue to encourage charitable contributions to other worthy purposes, as well as to higher education. I believe that we can do that and at the same time achieve a reasonable and equitable tax reform which will spread the tax burden of this great country fairly and equitably among our citizens and at the same time plug up the existing loopholes and weaknesses that have existed in the past.

Mr. President, I give up my right to the floor.

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

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

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I wish to call the attention of the Senate to a very serious situation.

The PRESIDING OFFICER. The Chair will state to the Senator from New York that it would take unanimous consent to proceed because, pursuant to an earlier order, the Senator from South Dakota is to be recognized.

Mr. JAVITS. Mr. President, I ask such consent.

The PRESIDING OFFICER. For what length of time?

Mr. JAVITS. About 5 minutes.

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

REDUCED BUDGET FOR THE NATIONAL INSTITUTES OF HEALTH

Mr. JAVITS. Mr. President, I call to the attention of the Senate a very serious situation involving the National Institutes of Health. I understand the necessity to reduce Federal spending as a curb to inflationary pressures. I believe we must properly shape the dimension of Federal support of medical research and education in terms of ordering our priorities as we reduce Federal spending.

Because we have a very serious health crisis in this country, I am very concerned that the reduced budget for the NIH—culminating in the recently announced NIH warning to medical research centers that they may have to close down for lack of funds and that all research grants up for renewal by NIH will be severely cut back—may be false economy.

I ask unanimous consent that an editorial on this subject in the New York Times, entitled "False Medical Economy," under date of September 10, 1969,, may be printed in the RECORD as a part of my remarks.

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

[From the New York Times, Sept. 10, 1969]

FALSE MEDICAL ECONOMY

One of the strategic points in this country's medical system is threatened under the combined impact of rapidly rising hospital costs and efforts to curtail the Federal budget. If tentative plans of the National Institutes of Health are realized, nineteen of the nation's 93 general clinical research centers will be closed during the next year. The N.I.H. administrators apparently fear they will be short some $8 million or $10 million that would be required to keep all 93 of the centers operating on even a minimal basis in the face of hospital inflation.

The decision suggests a curious set of priorities in Washington. The amount of money involved is inconsequential in a total Federal budget of roughly $200 billion. But these clinical research centers have a unique importance in shortening the often lengthy and difficult path between the basic research medical laboratory and the bedsides of the sick. Here is the interface where new drugs, new operations and other therapeutic innovations can be introduced and tested under highly controlled conditions with maximum protection for the sick people who are being used as guinea pigs and with minimum delay in making available for general use new discoveries that turn out to be both safe and effective.

The proposed economy is particularly difficult to understand because it was initiated shortly after revelation of shocking weaknesses in the existing system for testing of new drugs. The Federal Government last month initiated an investigation of the activities of one physician whose organization has conducted between 25 and 50 per cent of the country's initial drug tests, usually on prisoners and apparently often under conditions of inadequate medical supervision. Senator Gaylord Nelson has introduced a bill to give the Federal Government major responsibility for testing new drugs. This is the moment chosen by N.I.H. to begin preparations for closing down 20 per cent of the clinical research centers.

Mr. JAVITS. Mr. President, I believe the general clinical research centers program—a vital testing ground for innovative health care concepts—has made a great contribution to the health of our Nation. It has made possible the conduct of high-quality clinical research in academic institutions throughout the Nation. It has provided the critical interface where benefits of advanced science and technology are effectively incorporated into improved patient care. And it has substantially improved the quality of education for the entire medical community.

The current research and clinical investigation in these centers include: First, drug therapy in patients with advanced cancer; second, kidney hemotransplantation in man; third, pharmacology of aspirin toxicity in infants and children; fourth, protein and blood sugar metabolic diseases; fifth, studies on cause and treatment of infants with PKU—phenylketonuria—and sixth, studies on infants; for example, neuroblastoma.

Among the 19 general clinical research centers warned by NIH that they may have to close next year because of a shortage of Federal funds are the Albert Einstein College of Medicine in the Bronx, N.Y.; the Albany Medical College of Union University, Albany, N.Y.; and the State University of New York Medical Centers in Buffalo and Syracuse. Thus, more than one-fifth of the general clinical research centers—responsible for both medical research and manpower education and training—threatened with closure are in New York.

Even this brief exposition of some of the vitally important research projects being conducted at the Albert Einstein College of Medicine, the Albany Medical College of Union University, and the State University of New York Medical Centers makes it quite clear that the termination of these centers' activities represents not only a loss for the affected institution, but also a tragic loss for the medical profession and the American public as well.

The President has forecast a massive crisis in American health care, and medical educators have long told us that teaching, research, and medical care are inseparable. Thus, the President's warning of a massive crisis under already existing deficiencies in the delivery system of health services may well be further compounded by projected NIH cutbacks due to fiscal stringencies.

Mr. President, medical research is not a luxury; it is a very serious investment in the greatest asset we have—the American people. I urgently request of the administration that its priorities be revised to permit the continuance of these research projects, and that other things be cut.

Mr. President, I think there is simply no comparison in importance between this and a slight cut, for example, in hardware for military purposes. Also, the reduced expenditures which will result from a cessation of Federal construction, in my judgment, would be applauded by the people if the savings resulted in filling up the coffers for medical research, instead of reducing them as is now contemplated.

Government medical research represents such a critically important aspect of the totality of medical research that we would have a very serious interference with the program. An interference in an ongoing program of this character often means killing it, as men diverted to other purposes and lines of inquiry depart; and at the least there is a general recession and drop-back as far as the program is concerned.

I believe medical research is entitled to the No. 1 domestic priority in our country, Mr. President, and I urge the administration not to put into effect these NIH cutbacks.

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

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

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

Mr. McGOVERN. Mr. President, on last Friday I began a rather comprehensive discussion of the broad question of whether it is essential that we maintain any kind of strategic bomber force, with particular reference to the matter now pending before the Senate, the advanced manned strategic aircraft.

I outlined on Friday the basic roles which such strategic bombers are called upon to play—specifically, the mission of assured destruction of any potential enemy country and, second, the damage-limitation responsibility in terms of our own country's defense. I also indicated on Friday that we have stressed assured destruction because of the impracticality of most defensive systems and because of the likelihood that they can, if they are arguably effective, add a serious stimulation to the arms race we are all seeking to avoid.

In addition, I summarized on Friday the pressures which have greatly increased the vulnerability of our bombers to counterforce attack on the ground and the impracticality of maintaining substantial numbers of them in the air.

BOMBERS VERSUS MISSILES

While bombers have been forced from their preeminent position in strategic policy by advances in Soviet weapons systems, we have, fortunately, developed our own alternatives—first, land-based ballistic missiles; then, missiles launched from submarines.

The debate over the relative effectiveness of bombers and missiles has continued over most of this decade. There is, however, little substantial disagreement with its resolution in favor of missiles, at least for the role of assured destruction. Former Secretary of Defense McNamara summed up this preference in testimony before the House Appropriations Committee in 1966, saying that:

> Given current expectations of vulnerability to enemy attack (before and after launch), and simplicity and controlability of operation, missiles are preferred as the primary weapon for the assured destruction mission. Their ability to ride out even a heavy nuclear surprise attack and still remain available for retaliation at times of our own choosing weighs heavily in this preference.

A similar view was expressed in testimony before the same committee in 1964:

> Secretary McNAMARA. What percentage of that force that destroys the Soviet Union is delivered by bombers? The answer to that is a very, very low percentage.
>
> Mr. FORD. If that is the case . . . why do you keep bombers in force at all until 1968?
>
> Secretary McNAMARA. Because they add some insurance and because certain targets may be more effectively destroyed by bombs assuming the bombers can get there before the targets have been launched against the United States, and that is quite an assumption.

Meaning it is quite an assumption for the bombers to arrive at their targets in the Soviet Union before those missiles could be launched.

I have found no compelling reason to disagree with his conclusions. The vulnerability of bombers on the ground which I have already discussed clearly gives missiles the edge in that category. I explained this on Friday by pointing out that missiles in hardened or superhardened silos in the ground are comparatively invulnerable to anything except a direct hit, whereas bombers stationed on the ground are soft, vulnerable targets. One fairly substantial hit could destroy an entire bomber fleet and make it unflyable. In addition, bombers are comparatively slow to target, requiring some 5 hours to travel 6,000 miles even at supersonic speeds planned for AMSA, compared to roughly 30 minutes in the case of ICBM's. Their drawbacks of speed require, in turn, that they be committed fairly early in war. They are likely to pass beyond the point where recall could be made effectively before missiles aimed at reaching the same targets at the same time would even have to be launched. In other words, we could delay the launching of a missile for 4½ hours after the bomber was on the way to the target and still hit that target with a missile before the bomber would arrive at the end of a 6,000-mile journey.

In light of all factors of comparison, I suspect that even the most ardent of bomber advocates would concede that, if faced with the choice, he would choose SLBM's and ICBM's over strategic bombers in order to maintain a reliable U.S. deterrent.

Notwithstanding these relationships, we have developed a number of justifications for maintaining a substantial bomber force.

THE TRIAD DETERRENT THEORY

As I have noted, it appears to be generally accepted that the ability to deliver 400 1-megaton equivalents should suffice for deterrence of attack by the Soviet Union, assuming that they might otherwise have such an attack in mind. By contrast, we had at the beginning of this year some 4,200 loaded warheads, counting only those based in the United States. We have 1,054 ICBM launchers, 656 SLBM launchers on 41 Polaris submarines, and 646 intercontinental bombers, all in readiness or near readiness for launch. In combination they obviously have the ability to destroy the Soviet Union or any other potential aggressor many times over—if that were a meaningful ability.

The basic theory upon which we have based our retention of manned bombers holds that the United States is best protected when we are able to destroy a potential enemy in three different ways: with bombers, with land-based ballistic missiles, and with missiles launched from submarines. It is argued that each system complements the others by assuring that it will be available as a full deterrent or strike force if the other systems fail or are degraded by defensive developments on the other side.

But if SLBM's and ICBM's are preferred, it seems to me that we must have at least some indication that they will be inadequate before we invest many billions of dollars in a third force. Obviously, deterrence will work with just one force—large, visible and effective enough to convince the Soviet Union that we could retaliate with a society-destroying blow if they should attack. Surely they will not be the less deterred if we cannot destroy them three ways or even two. If we have a system that will work, and that does provide deterrence, one wonders why it is necessary to convince a potential aggressor we can kill him three times, with three different weapons systems.

What, then, are the specific contingencies for which we are planning? How remote are the possibilities that our deterrent will continue to exist only if we have a full bomber force? To what exent is the argument for a triple deterrent made after the fact, to provide a rationale for keeping, protecting, and replacing forces that already exist?

In other words, if we did not already have three existing deterrent weapon systems would there be a logical rationale for the development of three? That is really what we are considering. Do we need a new strategic manned bomber when we have this enormous explosive power in land-based missiles and the Polaris submarine missiles, any one of which is capable of destroying a great city?

Retention of a bomber force of any kind for assured destruction seems to me to depend upon acceptance of the following assumptions as being risks against which it is prudent to plan and for which it is prudent to spend precious resources.

This is, indeed, a long and complicated series of assumptions. But it seems to me one must go through this process before we consider allocating the nearly $12 billion that will be involved in building this new bomber, plus $10 to $12 billion to operate it once the system is built.

First, it must, of course, be assumed that the forthcoming strategic arms limitation talks will fail; that there will be no enforceable agreements limiting new Soviet weapons which might degrade the effectiveness of our ICBM's and SLBM's.

In that connection, it is my understanding that the senior Senator from Missouri (Mr. SYMINGTON) is going to speak tomorrow to the point that the Soviet Union is in fact doing very little in the way of new bomber construction. I do not mean to imply that their military judgments are the ones we should follow, but it is a fact that their military planners have not seen fit to allocate very much in the way of construction for new bombers, even when we have a clear superiority in bomber numbers and capability.

Mr. President, I wish to pause here momentarily while the Senator from Mississippi, the chairman of the committee, is in the Chamber.

I ask unanimous consent that when I have completed my prepared remarks he be recognized for any response that he would care to make at that time before other Senators are recognized.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. STENNIS. Mr. President, I thank the Senator very much.

Mr. McGOVERN. Mr. President, second, it must be assumed, as to Soviet intentions, that they are determined to achieve a first strike capability against

the United States, that they believe it can be achieved, and that they have and will use whatever resources are requested to obtain it.

Third, it must be assumed that the Safeguard anti-ballistic-missile system in which the administration has expressed such vast confidence will fail; that the Soviet Union will, notwithstanding Safeguard or other steps to protect our ICBM's, develop the ability to wipe out all or most of our Minuteman force. Otherwise, why the argument for a new bomber if we can depend on our ICBM's?

Fourth, it must be assumed that the Soviet Union will at the same time develop a means of locating and destroying all or most of our Polaris submarines—a fleet expected by Chief of Naval Operations Adm. Thomas H. Moorer to remain invulnerable "with very high confidence."

Fifth, it must be assumed that the Soviet Union will be able to solve the monstrous problems of timing necessary to coordinate a surprise attack upon both our ICBM's and our SLBM's at the same moment—problems some believe are insoluble.

Sixth, it must be assumed that the Russians or any other potential aggressor would not fear our use of a "launch on warning" policy which, after detection of their incoming first strike weapons, would have our missiles in the air before they could be struck in their silos or aboard their underwater launching platforms. In such circumstances their counterforce weapons would, of course, strike empty holes. For purposes of deterrence we would not even have to adopt such a policy, so long as Soviet strategists were left in doubt as to whether it would be employed.

The seventh assumption that would have to be made, as an alternative to several of these developments, it must be assumed that the Soviet Union will develop a ballistic missile defense system so extensive and so effective that it will be able to intercept all or most of our missiles fired from some 1,400 launchers—assuming that one-third of the Polaris fleet is not on station. Their ABM would have to be able to counter such penetration aids as multiple reentry vehicles—MRV's—already in existence, and it would have to limit damage to "acceptable levels"—assuming that any level of nuclear destruction, with associated fallout and other after effects, would be acceptable.

But beyond this, eighth, it must be assumed that their ABM will also be so advanced that it can overcome all, of the new developments which could be incorporated into our missile force to avoid it—including MIRV warheads and a host of other penetration aids of which we are not yet aware. It would have to somehow surmount the inherent advantage enjoyed by the offense—the fact that at some point a decision must be made on the configuration of the defensive system for deployment, locking it into a set of specific capabilities which the offense can then build around.

Ninth, and this is of vital importance, it must be assumed that enemy leaders, having done all of this, would have such enormous confidence in their weapons, and such an overriding compulsion to attack the United States, that they would be willing to carry out a first strike notwithstanding their knowledge that any miscalculation, any human error, any misplaced reliance on complex mechanical devices, would result in the instant incineration of millions of their people and in the literal end of their society. We are, after all, discussing deterrence, essentially a state of mind. Considering the terrible power of even a few nuclear weapons of today's potence—hundreds of times more destructive than those which obliterated Hiroshima and Nagasaki—it is unthinkable that any sane adversary, no matter how evil his intentions, would act without absolute assurance that he could avoid retaliation.

Tenth, and relating specifically to the role of bombers, it must be assumed that manned aircraft will be an effective means of avoiding all of these possibilities—that this single addition, notwithstanding its special vulnerabilities, will be enough to deter an enemy which has amassed the towering financial resources, technical competence and treacherous intent to paralyze our missile forces.

Parenthetically, Mr. President, let me say that if, in view of the enormous striking power we have in our Polaris missile system and our land-based missiles, we have not developed the capacity to convince an enemy aggressor that his society will be destroyed in the event of an attack on the United States, then we must assume that sheer madness and a determination for mutual suicide have taken over in a potential enemy capital. That being the case, one wonders if there is anything that can be done to save the human race. In the last analysis, I think that all of these systems depend on some assumption, however low their intentions might be, that the rational factor, the desire for survival, still exists on the part of the nuclear powers. If that factor ever breaks up, then one wonders if any amount of expenditure on military purposes can save any of us.

Eleventh, it must be assumed that if manned aircraft can make that incremental difference, the Russians will not be deterred in any case by manned systems which will exist regardless of whether we maintain a strategic bomber force—including some 3,000 tactical aircraft loaded with nuclear weapons and capable of reaching major targets from their bases in Europe and elsewhere.

Mr. PROXMIRE. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the distingushed Senator from South Dakota for this part of his speech, because I think it is the first time I have seen outlined as expressly and as explicitly the assumptions which have to be made to justify this kind of additional expenditure which the Senator pointed out last Friday will cost eventually $10 billion to $12 billion.

The Senator from South Dakota is being conservative and modest when he states that it is unlikely that the assumptions he lists will work out, and these are the assumptions necessary to justify strategically our going ahead with the advanced manned bomber. I think it is extraordinarily unlikely.

Especially am I struck by the fourth point. I have never seen anyone refute it, that although our submarines—as the Senator has pointed out—have this devastating overkill power, they are not likely to be knocked out by a Russian first strike. They have first to be located, then hit, and hit in such a way that they are all knocked out simultaneously within a matter of a relatively few minutes, with 41 of them scattered all over the world. That, all by itself, it seems to me, seems almost impossible to do.

Mr. McGOVERN. At the same time, the 1,000 and more land-based missiles would also have to be knocked out, if an attacking enemy were not to be destroyed. It would not be enough just to pulverize the 41 submarines, but the attack would have to be so perfectly timed that at that same moment the more than 1,000, widely scattered, land-based missiles would also have to be destroyed, so that there would be no retaliatory capacity left.

Mr. PROXMIRE. It has to be on the assumption that no significant number of the ICBM's would be able to leave their silos before they were hit. Our early warning system is designed for the very purpose of letting us know when this kind of attack would be underway. It would certainly be a terrible decision for any President to have to make, but certainly President Nixon or any President would be willing and able to make that decision if we were under attack from the kind of first-strike capability that the Soviet Union could bring about.

Mr. McGOVERN. I think the Senator's point is well taken. If we could carry that point one step further, what we are talking about here is the capacity to deter another country from attacking us, with or without building the additional bombers. One should keep in mind that if by some completely unpredictable factor all the missiles under the sea and on the land could be simultaneously destroyed, we still have 3,000 tactical airplanes in flyable condition based in Europe and elsewhere, on carriers, and various other places around the world, which are capable of reaching targets in the Soviet Union. They cannot reach them all, but they could deliver an incredibly devastating blow, with or without the operation of our existing missile system, and with or without the addition of airplanes.

Mr. PROXMIRE. Furthermore, in the Senator's amendment, he is not providing that the plane will not be built. All he is providing is that we will not proceed with the fourfold increase in funding required for construction of the prototypes. He would agree to continue at the present research level of $20 million a year; is that not correct?

Mr. McGOVERN. That is correct.

Mr. PROXMIRE. Without any reduction whatsoever in his amendment; is that not correct?

Mr. McGOVERN. That is correct. We would be operating in the research and development area at the same level we were in fiscal 1969.

The amendment would simply hold the spending level at that point. I do not believe we have to build this bomber, but

the amendment really does not speak to that point. It merely provides for holding the funding at last year's level before we move any further.

The net effect, as I understand it, of the additional funds—that is, the fourfold increase the administration has requested—is that it would make the bomber operational in 1978 instead of 1977. Thus, any Senator who really believes the security of his country depends on getting this bomber into the air in 1977 should vote against the amendment which the distinguished Senator from Wisconsin and I are offering.

If anyone thinks we can survive with reasonable security, with the enormous striking power we have now, all the bombers we presently have, the tactical airplanes, the missiles, and the submarines, then let us stretch this out another year and take a more careful look at it, before we get ourselves into a situation which will eventually cost us upwards of $25 billion for development and operations.

Mr. PROXMIRE. We would still have a large proportion, at least by 1977 or 1978, of the B–52 bombers we have now, which perform the same function this plane would perform.

Mr. McGOVERN. That is correct. Many of the later B–52's will be perfectly operational well into the 1980's.

Mr. PROXMIRE. I thank the Senator from South Dakota very much.

Mr. McGOVERN. Mr. President, at this point, I want to express the appreciation I have felt for many weeks toward the Senator from Wisconsin for the remarkable leadership he has provided all of us in this very helpful overview on military spending. In every sense of the word, he has been a leader in this effort. I want to commend him for the thoughtful scholarship, research, and commitment which he has brought to this effort.

Mr. President, I suggest that there is not even a measurable possibility that the events outlined in these assumptions will occur.

Soviet resources are not endless——

Mr. PROXMIRE. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I yield.

Mr. PROXMIRE. This is something not discussed on the floor. I made a speech about it, but it has not been debated. It lies right at the heart of the amendment which the Senator is offering; namely, that Soviet resources are not endless. Not only are they not endless, they are only half as great as ours. Their gross national product is one-half of ours. They have to make some very difficult choices. Right now, they are engaged in an extremely serious and difficult problem with the Chinese, which demands a great deal of their military effort. At the same time, they have the kind of economy which cannot be shifted much further into the military effort without stunting the growth of their military power in the future, and that would be very serious for them.

We had hearings before our Joint Economic Committee a couple of months ago. We had some of the outstanding Russian experts in the country appear before us, including Professors Fainsod and Borbov, of Harvard, and other experts who have devoted their lives to the study of the Soviet Union. The main thrust of their testimony was that there are very strict limits on what the Soviet Union can do from the military standpoint. In the first place, the Soviet Union has such an inefficient agricultural economy that seven times as much of the Soviet Union's population is in agriculture as we have, and the Soviet produces 20 percent less.

At the same time, the Soviet Union has a basic necessity for continuing to grow economically, to shift more and more of her resources into investment. If the Soviet Union fails to do that, it is going to slow down economically, and 10 to 15 years from now it is going to suffer seriously in comparison with this country's military potential.

Furthermore, although some persons think the Soviet Union can, the fact is she cannot make a deep cut in consumer incentives, because that is where the new force or the drive has come from in her economy as compared with China's economy, and as it was under Stalin's leadership. That is the reason for Soviet resources for consumers. The Soviet Union cannot cut back. It must devote more of its resources in agriculture, because agriculture absorbs a great deal of the Soviet Union's manpower.

For all of those reasons, the notion that the Soviet Union is going to develop an overpowering military juggernaut far greater than she now has is plainly unrealistic. To argue this is not to look at the facts. This is not to say that the Soviet Union would not like to overrun this country and the world. I will not dispute that for a moment. But the Soviet Union cannot do it. It does not have the economic power and force to do it. If we examine the record and examine what the experts have said, including persons recommended by the Senator from Arizona (Mr. GOLDWATER) and others who have different ideas on the Soviet Union, there is no question the consensus is that with the Soviet Union's very limited economy, her military challenge perforce must be very limited.

Mr. McGOVERN. I think the Senator's point is very well taken. He is familiar with the argument that is sometimes made by the proponents of increased military spending in this country that one way to work a hardship on the Soviet Union is by forcing her to divert a greater portion of her resources to military outlays—to delay building up her agriculture, to which the Senator referred, and improving her quality of education and health.

I have never understood the logic of that argument. It seems to me one has to be very optimistic to assume that someone who is living in a bad house or suffering from hunger or suffering from the economic tensions of an overly strained society is a safer person to live with than one who is developing a stable economy and moving forward in the field of housing, health, food production, and so forth.

I do not think it is in our interest to develop economic tensions in the Soviet Union. I think it makes them more difficult to control. Experience has been all in the other direction. As they have become more comfortable, they have developed more interest in keeping the peace.

So I do not understand the argument that we serve the interests of this country by making economic trouble for other countries who are potential rivals.

As I indicated earlier, Soviet defense planners are not devoid of rationality; Soviet technology does not even equal our own, let alone surpass it to the point where they can accomplish what we find to be impossible. Maintaining a bomber force against such risks is not "erring on the side of strength." It can be more accurately described as arming to the point of absurdity.

Mr. President, if we let our imaginations and our fears roam freely, we will always be able to find some reason to justify any weapons system. If we had had four methods of delivering nuclear weapons, I have no doubt that we could make a case for a quadrad, instead of a triad deterrent. If the system is feasible, and if we can visualize a danger, then the temptation to move ahead is extremely strong, particularly when we are in an area as supercharged as national security. In the case of bombers, there is the added incentive of their existence and their vast importance in days past.

But at some point we must make a rational judgment on the remoteness of the threat. If Soviet resources are not limitless, neither are ours.

We are a very wealthy Nation, the most wealthy on the face of the earth, but there is a limit to what this country can devote to military purposes without undermining other areas of national strength.

There is competition for funds within the Defense Establishment, and there is competition between that institution and other programs which also involve the vitality and the safety of our society. At this time, on the threshold of a large new expenditure, we simply cannot avoid questioning whether the maintenance of any bomber deterrent is not preparation for threats too remote to justify consideration.

THE REQUIREMENT OF MIXING DEFENSES

Closely related to the concept of a triad deterrent is the suggestion that we can, by maintaining a bomber deterrent, and by improving that deterrent with AMSA, complicate the defensive problems faced by the Soviet Union if they are, indeed, seeking to weaken our ability to retaliate. If they have to defend against bombers as well as missiles, it is reasoned, they will have to spend vastly greater amounts than otherwise to achieve a first-strike capability. They will, in the process, have to divert to bomber defense large sums which might otherwise have been used on counterforce weapons such as the SS–9 or on ballistic missile defensive systems.

It must, of course, be recognized first that where Soviet counterforce weapons—weapons to attack our retaliatory forces before they can be launched—are concerned, the problem of neutralizing bombers does not differ significantly from the problem of neutralizing ICBM's. It is, in fact, much simpler, because they

are softer targets and are much more vulnerable on the ground.

In this connection it is not impossible to envision Soviet strategies aimed at maximizing the number of bombers which would be on the ground even though they were maintained on alert. They might, for example, stimulate a false alarm which would result in the launch of our bombers, and then wait until they had to return to their bases with exhausted crews and empty fuel tanks, unable to get back in the air quickly, before launching a real strike. The possibility of such a policy working to seriously degrade our bombers is, of course, quite remote—but I suggest that it is no more remote than the likelihood that our missiles will be made inoperative to the point where we might have to rely upon bombers at all in the event they were needed.

It must also be recognized here that the initial launch of bombers is by no means a certainty. It is always possible that human procrastination or mechanical error will result in critical minutes of delay. There has, in fact, been a case in which the ballistic missile early warning system detected what appeared to be incoming missiles but which were, in fact, reflections from the moon.

Yet, in spite of the indication of the early warning system that missiles were on the way to the United States, our bombers were not even launched.

In any case, it seems clear that the concept of requiring the enemy to mix his defenses must be defined narrowly to exclude Soviet counterforce capabilities. If it is a Soviet first strike about which we are concerned, therefore, the value of the concept is less than what it might appear to be. If they have weapons which can destroy our missiles in their silos, the same weapons could destroy whatever bombers remained on the ground. No mix of counterforce weapons is required.

It is true, however, that our maintenance of bombers requires a mix of purely defensive weapons. Because they can come from any direction, fly low to avoid detection, and change their course in flight, it is a fact that bombers would be able to elude even an advanced anti-ballistic-missile system, and that does give them a somewhat different capability than incoming missiles.

But this returns us to the entire set of assumptions I have discussed in connection with the "triad deterrent" theory. Is it really necessary to have that additional capability?

In addition, it raises serious questions about what we are trying to accomplish with our strategic weapons systems.

Most of us agree that nuclear weapons systems should be maintained in order to prevent wars. Most of us agree that if they can be effective in such roles, they should also be used to limit damage to the United States in the event that nuclear war does occur, although again, Mr. President, I must express my own skepticism that there is any real difference. In the event of an all-out nuclear exchange, I cannot conceive of any combination of weapons that would provide for the survival of our society in any meaningful sense. If they would, I assume we would all want to build them.

But it is a far different matter to suggest that we should construct systems over and above those needed for such purposes in the hope that in the process we can stimulate the enemy to divert resources from other uses.

Is this not a deliberate effort to initiate another round in the offensive-defensive arms race cycle which for the past 25 years has been draining the resources of both the United States and the Soviet Union? Is it our conscious policy to continue on this deadly, dangerous and I think futile path?

I should think we would have learned by now that the arms race is not a zero-sum game. If our worst assumptions about Soviet intentions are correct they are not likely to divert funds from missile defense to bomber defense. They are instead likely to add to their total defense expenditures, taking from programs to meet the needs of their own people. Perhaps there are those, as I have stated earlier today, who feel this is in our interest—who feel, for example, that we are benefited if Soviet efforts to expand food production are neglected. But I cannot number myself among those who draw any degree of consolation from that state of affairs.

Moreover, it is obvious that in order to stimulate such expenditures on their part we must spend funds of our own. Even if the policy were to work as planned—assuming a finite total Soviet military budget—it would mean that we would be diverting billions of dollars from other activities here in order to build and maintain the bomber force. It is conceivable that those funds would come from programs aimed at maintaining the credibility of our missiles, thereby enhancing the chances that the missile force will be weakened or degraded. In any case, we cannot neglect the cost of mixing our offenses as we contemplate whatever value there might be to development of mixed defenses on the other side. In light of the important areas in which missiles are superior to bombers, I should think that we would focus our attention and our resources on advances within the realm of missile technology.

Finally, as I will develop more fully later in my remarks, it is not mandatory that we consider this question in connection with AMSA in any case. This is true because nearly all of the mixing which could be accomplished with AMSA is already required by aircraft which are presently operational or in the procurement line.

THE BOMBER COUNTERFORCE ROLE

In addition to its use as a complement to the missile force, it is argued that the bomber has unique capabilities which could affect the outcome of nuclear war if deterrence fails. As suggested by Secretary McNamara in testimony quoted earlier, certain targets might be more effectively destroyed by bombs, "assuming the bombers can get there before the targets have been launched against the United States, and that is quite an assumption."

His reference was most certainly to the use of bombers in a "controlled counterforce" strategy, in which the bombers would be used aaginst Soviet bomber bases or missile launchers. He noted at the time that the concept was rather impractical or implausible. I fully agree.

To find a counterforce role for bombers we must first assume that there might be a nuclear exchange in which both sides fire at the strategic forces of the other but not at population and industry, following a "no cities" doctrine. After such an exchange, AMSA would be dispatched according to this doctrine on a mission of "damage limitation"—to seek out Soviet weapons retained for later attacks upon our poplation and industry. Air defenses might have been destroyed either by our ICBM's and SLBM's, or they could be neutralized by penetration aid missiles carried aboard the bomber—Hound Dog and the Subsonic Cruise Armed Decoy—SCAD—in the case of area defenses and the Short Range Attack Missile—SCRAM—in the case of terminal defenses. The utility of the bomber in this role derives from the fact that it is manned and can change direction to search out targets.

However, it is exceedingly difficult to envision even a slight possibility that such a scenario would ever occur. In fact, whatever capability we have to act within it almost guarantees that it will not come about. Does anyone really believe that the Soviet Union, having launched against our retaliatory forces, would obligingly hold its remaining forces until our bombers could get there, knowing that if those forces were eliminated the United States could then launch against Soviet population with no fear of retaliation? I submit that we can be certain that they would launch under such circumstances, and that any development of hard target capability on our part simply increases that certainty.

On this point I think an assessment made by the distinguished senior Senator from Georgia in April of 1962 remains entirely valid. Senator RUSSELL, the highly respected chairman of the Senate Armed Services Committee told us at that time:

> There have been some estimates and some so-called mathematical computations of the casualties that would result from a nuclear war under various assumptions, including a positive attempt by the adversaries to limit targeting to military installations and facilities. I have not hesitancy in saying, however, that to me these extrapolations, or projections, or hypotheses are exceedingly unrealistic.

He concluded:

> In my opinion, if nuclear war begins, it will be a war of extermination.

If there are those who still believe there might be such a controlled nuclear war, they should also consider the likelihood that if Soviet ICBM's were vulnerable to bomber attack, the missiles retained could be those based upon submarines which our bombers could not see. They should also confront the problem that our bombers might not be able to tell which ICBM had been fired and which had not. And they should give some indication that missiles cannot be superior to bombers in this realm as well, especially if we incorporate continuing improvements in their accuracy and "real time targeting" through satellites.

SECONDARY CAPABILITIES

Finally, it has been argued that bombers have secondary characteristics too important to be abandoned. The most complete concise listing that I have been able to find was contained in an article, "The Future of Manned Bombers," which appeared several years ago in Air Force/Space Digest. This article very succinctly summarizes the secondary advantages of the bombers:

No mention is (being) made of the position that manned strategic aircraft greatly enhance operational flexibility by allowing: recall of an attack; unmistakeable displays of resolve, through stepped up airborne alerts and large scale maneuvers, such as were used in the Cuban crisis; wartime assessment of target damage; location and destruction of mobile targets; a close matching of the weapon to the target; and when the occasion calls for it, the use of very high yield warheads.

Recognizing that those are secondary characteristics or byproducts of bombers, what do they really mean? If one assumes that they are all present, are they worth the price of an additional $12 billion investment.

From what I have been able to discern the ability of the bombers to be recalled from attack is in large measure a favorable way of expressing an unfavorable comparison with missiles. Bombers cannot be recalled when they have gone to within an hour or two of their targets because they are already in Soviet airspace beyond fail-safe points. If they could be recalled through new methods of communication it is doubtful whether the ability would be of much value anyway, since by that time—with our bombers winging toward the Soviet heartland—Soviet retaliatory forces would probably be on their way to the United States. Missiles, on the other hand, can be "recalled" right up until the time they are fired, minutes away from their targets. I use "recall" in quotation marks to point up that we could hold the firing of the missile for several hours longer than the bomber's launching time and still reach the target sooner than the bombers. The control factor would seem to be much greater. In essence, the comparison means that because they are much slower, the decision to launch bombers must be made sooner, they pass out of meaningful control further away from their time on target, and they are therefore less subject to base control.

The "show of force" attribute is just as questionable. The junior Senator from Arizona defended it in a paper prepared as an answer to the AMSA study of Members of Congress for Peace Through Law by saying:

In past crises we have, at various times, called up reserves, deployed naval, air and ground forces, generated our bombers, and in the Cuban crisis, placed a significant number of bombers in the air. Why did we do these things if the "show of force" concept is not valid?

Presumably we did them because they were available. There is a great gap, however, between the fact that we have generated and launched bombers in past crises, and the assertion that they had a meaningful effect upon the adversary. It is difficult to imagine how bombers in the air can be as threatening to a potential enemy as the simple awareness of the incredible nuclear destructive power awaiting the order of the President, along with other crisis measure he might take.

Surely every enemy involved in a crisis with the United States is aware of the enormous striking power that this country has without its being necessary for us to put bombers in the air to make that point. The Cuban crisis illustration is much less than convincing, particularly in light of Premier Khrushchev's report printed in the Current Digest of the Soviet press in January of 1963:

Events developed at a swift pace. The American command put all of its armed forces, including troops stationed in Europe as well as the Sixth Fleet in the Mediterranean and the Seventh Fleet based in the Taiwan area, in a state of complete combat readiness. Several paratroop, infantry and armored divisions, numbering some 100,000 men, were allocated for the attack on Cuba alone. In addition, 183 warships with 85,000 sailors on board were moved toward the shores of Cuba. Several thousands war planes were to cover the landing on Cuba.

I read that rather detailed excerpt from Mr. Khrushchev's writings as he looked back on what happened in the Cuban missile crisis because, if one notes the sequence, only after listing this large and alarming buildup in conventional forces—troops, sailors from the 7th Fleet and the 6th Fleet, and reserves—directed mainly against an island which was defenseless by comparison, did he finally report that:

About 20 percent of all U.S. Strategic Air Command planes carrying atomic and hydrogen bombs were kept aloft around the clock. Reserves were called up. . . .

The reasons why the Soviet Union backed down in 1962 are still open to debate. I suspect that the Air Force we had aloft at that time really played a rather small part in the total equation, if it had any impact at all.

But in any case, we should recognize that the "show of force" idea has another side; that it can also be a destabilizing factor in a time of crisis where we want desperately to avoid the use of nuclear weapons by either side—which I would hope includes almost every time of crisis not involving their use by another country. Is it not possible that an "unmistakable display of resolve" may, because of high tensions and poor communication, be mistaken as a signal that an attack by the United States is underway? Is it in our national interest at a time when crises and tensions are very high to put nuclear-equipped airplanes into the air and have them cruising around without any clear knowledge on our part of how an enemy is going to react to what to him may look to be a very inflammatory situation, if not the initial stages of an attack? I cannot conceive how that can be construed as an advantage on our part. It may very well be a dangerous thing for us to do. In any case, if we subtract the risks from the value, I think most of us would agree that the remainder would not be worth the many billions of dollars required to procure and maintain a full bomber deterrent.

The ability to locate and destroy mobile targets might be an attribute, but it is exceedingly difficult to suggest a plausible chain of events which would have our bombers armed with nuclear weapons operating in a "hunter-killer" capacity. Essentially the same reasoning outlined under the subject of counterforce applies here as well. The same is true of the alleged worth of closely matching the yield of the weapon to the target. What kinds of targets are contemplated? Under what circumstances? Moreover, there are legitimate reasons to doubt whether bombers, flying at low altitudes and high speeds to avoid defenses, would be able to locate and strike small targets such as powerplants and bridges.

Again, the professed ability to use high yield warheads when the occasion calls for it requires that we be advised of some predictable occasions which would call for such strategy. I have also been told that if there were such occasions, the Titan II missile could perform adequately, and that new boosters in the NASA program could carry still larger payloads and reduce substantially the cost per delivered warhead, as over against the cost of building a new bomber fleet.

The bulk of my remarks has focused on whether we need a major bomber force at all. Certainly, that is really the major, broad issue under contention in this discussion. But I would like everyone to understand that our decision on AMSA does not require that we resolve the question of whether we want to continue the research and development on a strategic bomber; nor does this amendment require that we decide that AMSA itself will not be built.

As brought out in the colloquy between the Senator from Wisconsin (Mr. PROXMIRE) and myself, the amendment would not knock out the manned bomber. It simply would hold the research and development level to the 1969 funding level. This is true because existing bomber forces can continue to carry out the missions for which we have retained manned bombers in our strategic forces. In other words, at least a part of the mission that is expected to be assigned to the AMSA can be carried out by the bombers that will remain in force through the 1970's.

ADVANCED MANNED STRATEGIC AIRCRAFT

II. ALTERNATIVES TO AMSA

Mr. President, in connection with our amendment I have discussed at some length the major broad issue involved in our consideration of the strategic bomber program—the question whether we need a substantial bomber force at all. That is the issue which I hope we can open for careful scrutiny and debate.

I have also suggested, however, that it need not be resolved before our vote on the AMSA amendment presently under consideration. On the contrary, what is involved here is the very narrow question whether we want to move ahead this year with an extremely expensive replacement for bombers which already exist and which can last well into the AMSA operational time frame. We do have a formidable bomber force. It is, in

fact, four times as large and much more advanced than the best of the long-range bombers in the arsenal of the Soviet Union.

CAPABILITIES OF EXISTING FORCES

I have no doubt that AMSA or the B–1, as it is called, would constitute an improvement, perhaps a substantial improvement, over the bombers we have now, primarily the B–52, B–58, and the FB–111. In other words, if we added unlimited funds and we wanted to make sure that everything in the system had all the latest gadgets, the latest resources, there would not be any argument here. We would go ahead and perhaps replace these existing bombers with something that incorporates a few of the features in the AMSA.

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

Mr. McGOVERN. I yield.

Mr. PROXMIRE. Mr. President, the Senator is so much closer to this than I am, that I am not sure of my ground on this, and perhaps he can enlighten me.

It is my understanding that in the B–70 we had a real fiscal disaster. I recall debating in the Senate, a number of times, with the advocates of the B–70 prevailing. The B–70 was converted to an RS–70—reconnaissance strike. As I recall, it turned out to be an almost unmitigated disaster, costing $1 billion or $2 billion. Test pilots were lost. Secretary McNamara was never very sanguine on the B–70. At any rate, it did get adequate funding from Congress. The Air Force tried as well as they could but never came up with a satisfactory supersonic bomber.

This Advanced Manned Strategic Aircraft has a different name—but it is roughly the same old mistake. In the intervening period, we have made technical progress; but I wonder if Congress should not be aware of the serious financial cost of our previous adventure in this area, as well as all the other most significant problems the Senator from South Dakota has raised.

Mr. McGOVERN. I think the Senator's point is well taken. It is a fact that all the same arguments—I think I am right on this—that are being advanced now for the new strategic manned bomber were offered a few years ago for the RS–70. To the best of my knowledge, practically everyone who was then arguing for the RS–70 now admits that it was a flop and that we should not have built it. As a matter of fact, several of our colleagues, as the Senator will recall, on the eve of the debate on the anti-ballistic-missile system, in order to underscore the tendency we sometimes have to rush approval of ill-advised systems, flew out to Wright Field, in Dayton, Ohio, and had a ceremony in front of what is now a museum piece, the remaining prototype RS–70. This was done to underscore the folly of that project.

Some $1.5 billion was wasted on it—an airplane that had a mission that it was not capable of carrying out. I think ranking members of the Committee on Armed Services will not admit that that project was ill advised and that we wasted an enormous amount of money.

By raising these questions today, I am suggesting that we slow down this project—not slow it down, but hold it on its present funding level—to reduce the possibility of another financial disaster of that kind, so that we do not come back 4 or 5 years from now and say we have wasted billions of dollars on a bomber we do not need and that will not carry out any foreseeable mission. That is what this discussion is about.

Mr. PROXMIRE. I hope Senators will recognize the latter point and pay attention to it and realize that that is exactly what the Senator from South Dakota is doing. He is saying that we need more research on this. We failed before. It cost us $2 billion. For that $2 billion, all we got was a museum piece, probably the most conspicuous technological flop in the last 10 years, recognized by everyone as such. This is the same kind of objective, the same kind of purpose, to develop a supersonic bomber.

The Senator from South Dakota has done a marvelous job of questioning—even on the assumption that this is going to work perfectly—whether it is worthwhile. On top of that, we ought to recognize that when we worked on this in the past we did not do adequate research, and, as a result, Congress has cost the taxpayer a considerable amount of money. I am one who made a fight against this, and I am sure the Senator from South Dakota did, also. I recall that Senator Engle of California was a champion of this. He was a wonderful Senator and a very fine man, but he was wrong on this. This should have great force to the argument of the Senator from South Dakota on this issue.

Mr. McGOVERN. I thank the Senator for bringing that to the attention of the Senate.

Mr. President, recognizing the logic of what the Senator has just said, it is a fact that a case can be made—at least so far as we can understand at the present time—that the newly proposed bomber does have certain advantages that are not incorporated in all our existing bombers. Every one of the bombers now in operation, whether it is the B–52, the B–58, or the FB–111, has some kind of drawback that doubtless could be corrected if everything goes well in the new bomber. The B–52, for example, is deemed to be too slow and too old, and it requires long runways. The B–58, of which only 80 were produced, has limited range and has been unreliable in various ways. The FB–111 has a restricted payload and it, too, has range limitations.

Yet each also has attributes which I do not believe are exceeded by AMSA in ways that are critically important. Indeed, General McConnell, then Air Force Chief of Staff, told a House subcommittee studying strategic bomber forces in 1966—listen to these words very carefully:

> Essentially what AMSA is, it has the range capability of a B–52 G and H. It has the payload capability of a B–52 G and H. And it will have the speed, the penetrability, and the maneuverability of the, shall we say, B–111. You put those two together, and you take the best points of both of them, and that is what you have got in there.

The FB–111 has, according to the report of that House subcommittee, the ability with tanker support to reach about 70 percent of the targets assigned to SAC. It has avionics comparable to those planned for AMSA, allowing high-speed on-the-deck flight to avoid radar detection and interception. We are purchasing four squadrons of this aircraft.

Our 255 B–52 G's and H's, meanwhile, have the range to reach all targets within the Soviet Union and the bombload capacity to cause terrible damage. These later versions can fly low, although at subsonic speeds.

It seems quite clear to me that the combination of these two aircraft does require, for example, that the enemy mix his defenses nearly as much as would be the case if AMSA were built. Certainly their air defense would have to be much more sophisticated than is presently the case, because the B–52 does have the ability to penetrate those defenses.

The paper inserted in the CONGRESSIONAL RECORD by the Senator from Arizona (Mr. GOLDWATER) on August 11 disagrees with this conclusion. It argues that—

> The technique used here is to argue that the combination of good points of two different systems results in the same effectiveness as a single system having all the same attributes. This is fallacious for the simple reason that the FB–111 and the B–52 both have certain shortcomings which AMSA would not have and which can be exploited to degrade individual effectiveness of the F–111 and the B–52.

But what specific capabilities must the defense have to counter these systems. It would have to defend against high-level flight or either could penetrate. It would have to defend against low-altitude flight at low speeds or the B–52 G and H could penetrate. It would have to defend against low-altitude supersonic flight or the FB–111 would penetrate. All of these capabilities would have to be developed if both aircraft were to be countered. The drawbacks of one could not be exploited against the other.

The enemy would never know which weapon he would be hit with. It seems to me that a strong argument can be made that the strongest point of each of these bombers is that it is the one the enemy would have to expect to be hit with and draw its defense accordingly.

If the Soviet Union seeks to limit damage to acceptable levels, and if either aircraft can inflict unacceptable damage, then they must develop the technical competence to counter nearly all of AMSA's capabilities, short of its smaller radar signature, and they must deploy nearly as extensive a defensive system.

Moreover, this analysis leaves out two extremely important factors. First is the development of penetration aids such as the subsonic cruise armed decoy —SCAD—a nuclear-armed pilotless aircraft carrying a radar reflective mechanism to make it look like a large bomber on enemy radar screens, and the short-range attack missile—SRAM—an air-to-ground nuclear missile which can according to public reports be fired 100 miles beyond the target to destroy terminal defenses—allowing delivery of a gravity bombload—or to destroy the tar-

get itself. Along with the Hound Dog standoff missile presently carried by the B–52, they make the problem of defending against existing bombers an enormously complex problem.

In addition, if the enemy is planning a first strike, certainly he must devise means of avoiding the great damage which he knows we could cause with some 3,000 high-performance tactical aircraft, including the F–111A, the F–4, and the Navy A–6 and A–7, which also have the ability to fly nuclear missions against a large proportion of the Soviet population, in some cases with abandonment of the aircraft but not loss of pilot. And he must consider other manned systems which we might use to deliver nuclear weapons, including a possible bomber version of the C–5. It may be, in fact, that a bomber with standoff capability, long endurance and a large payload would be much more appropriate than AMSA for the 1980's.

CONVENTIONAL WARFARE ROLES

These same considerations apply to still another reason given for AMSA, although it is described frankly by Air Force spokesmen as a "fallout" benefit. It is the belief that bombers will continue to play an important role in conventional war situations, as exemplified by the use of B–52's in Vietnam.

It is first clear, however, that bombing targets such as those in Vietnam, without sophisticated air defenses, does not require the costly high performance capabilities which AMSA would have. American forces have dropped a total of 1 million tons of bombs during the Vietnam conflict without losing a single B–52 as a result of enemy action. It has obviously performed no less effectively than would a much more advanced aircraft. Even its forerunners long since retired would probably have been as qualified for such missions.

I wish to say parenthetically at this point that one of the reasons I have been questioning more carefully our strategy for additional bombers is because of what seems to me to be the obviously limited role of our bombers in Vietnam. If there has ever been a disappointing and ineffective operation on a large scale that is more dramatic than the failure of our bombers to achieve any worthwhile objective in Vietnam, I am not sure what it would be.

On the other hand, conventional bombing against sophisticated adversaries will probably require aircraft of much higher performance than a plane designed primarily for strategic missions can achieve. Whatever feasibility strategic bombers have against advanced defenses is due to the tremendous nuclear destructive power they can carry. With conventional bombs the probable loss rates could be intolerable because the damage done to targets would be slight in comparison to the costs. In the future we can expect that the performance of aircraft designed primarily for long-distance missions will continue to compare unfavorably with the capabilities of defensive interceptors and surface-to-air missiles, requiring that whatever conventional bombing is done be carried out by tactical aircraft.

The paper prepared for Senator GOLDWATER, which I have mentioned earlier, does list a number of areas where AMSA seems to compare favorably with fighter-bombers for conventional roles. But if it would have assets, including the ability to carry 10 times the payload, it would also have liabilities, such as having only about one-tenth the targeting flexibility. While a single bomber in place of numerous smaller aircraft might have a better chance of escaping detention, it also poses a less complicated defensive problem once detection is made. The loss upon interception would also be much greater.

THE AMENDMENT—AMSA SHOULD NOT BE ACCELERATED

Mr. President, in the course of my study of this issue—which has included examination of materials from a wide range of sources—and I want to express my appreciation to the Air Force officers who took off considerable time to come to my office for a briefing on this matter—I have been unable to escape the conclusion that the arguments made on behalf of this new bomber, even in combination, cannot support the system.

In addition, I believe it represents a combination of the concerns which have led Members of Congress to scrutinize the requests of the Department of Defense much more closely than we have in the past.

It can cost, counting operation, on the order of $25 billion, measured in today's dollars. It is a long leadtime item which will not be operational at best for 8 or 9 years, after which the shape of the threat we now perceive could easily have changed so drastically that this approach will be obviously unnecessary or completely obsolete, unnecessary, or inappropriate. In one important sense the rationale for the new bomber system is based on a conscious stimulation of the arms race. Its justification is incredibly elusive, with new arguments popping up each time an old one is answered. It is impossible to avoid the suspicion that it is being sought mainly because of the historically important role played by bombers in our national security at some day in the past, with far too little practical thought about their future role in a vastly changed defense environment.

For these reasons I propose, with the other Senators cosponsoring the amendment, as a minimum, that the AMSA program at least not be accelerated as would be the case if the bill were passed as reported. The $100.2 million requested represents an increase of some $75 million over the fiscal 1969 approved program. Part of that amount was added by the Johnson administration to advance the long leadtime avionics and propulsion systems, and Secretary Laird added still more to, in the words of his revised budget statement, "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 from 1978 to 1977.

Notice, Mr. President, the use of the word "could." The Secretary is saying that the additional $75 million we are asked to authorize this year "could" not "would" but "could" advance the additional operational capability from 1978 to 1977. The amendment proposes that.

Let me say before I leave that point, Mr. President, that even if I firmly believed at this time that we need to construct such a new bomber system to replace our existing bomber fleet at some point late in the 1970's, I would vote to hold down that development level for another year, until 1978, because of the additional information, additional knowledge, and additional insight that we will have a year from now that we do not presently have because of the pending arms limitation talks, to say nothing of the squeeze on the economy today from the very high level of Federal spending.

If it makes sense to bring about economy cuts in public construction for other purposes, does it not also make sense to provide a little more modest level of funding for this highly doubtful system?

Our amendment proposes that funds be held approximately to last year's level.

Secretary Laird has told me precisely what it means, by stating in response to our questions on what this kind of time table would do, that a level of expenditure of $20 million a year would be enough to support studies and continue advanced development efforts, but would not reduce either the development leadtime of this system or the time required to realize an operational capability. The Secretary is aiming for an operational capability in 1977. Our amendment would allow a thorough examination of the questions I have raised here today and on Friday, and would still allow the aircraft to be operational prior to the end of the 1970's—probably by 1978, if we should decide to go ahead next year.

I have seen no evidence that 1 year will make any difference, even if we accept the view that the B–52's are aging structurally, because it is generally agreed that their operational lifetimes would be extended throughout this decade and into the 1980's.

It seems axiomatic that when a program of this size and scope is placed before us, we should conduct our studies before we accelerate the program, not afterward. Remember our bitter experience with the RS–70.

The rules should apply with special force in a period when the budget is under such heavy pressure that even vital programs like health research, sponsored by the National Institutes of Health, are being reduced to meet the administration's goals for budget cuts.

Mr. President, I very strongly urge adoption of the amendment.

Mr. President, before yielding the floor, I should like to say that on Wednesday, August 13, 1969, Senators GOODELL, HATFIELD, PROXMIRE, and I joined in submitting to Secretary of Defense Laird a number of questions relating to the advance manned strategic air program. We asked that those questions be answered in writing and that it be done on an unclassified basis, in order that they could be made part of this debate on our amendment before Senators are asked to cast their votes.

We received a response to our inquiry early last week. I want to express at this point my very great appreciation to Secretary Laird, and to those who assisted in preparing the answers. I must say they have been most helpful in our efforts to understand the position of the administration on this issue.

It is obvious, as anyone who will see who takes the time to read the questions and the responses, that the Department of Defense has made every reasonable effort to be informative, frank, and candid in setting forth its views on this issue.

We have analyzed Secretary Laird's answers with a great deal of care. Those answers have not altered the views of any of the sponsors of the amendment on the question of whether it is necessary or desirable to go ahead with the full funding request for AMSA this year. The very complexity of the answers, in fact, argue strongly for a more complete examination of this entire issue.

Many of the arguments raised in Secretary's Laird's letter are discussed in detail in my statement on Friday and today on the amendment.

In order to obtain the fullest possible consideration of the administration's position, I ask unanimous consent to have printed in the RECORD the Secretary's letter with comments that we have prepared following the initial questions and answers as they appeared. This is a rather lengthy insertion, and so are the answers that we have prepared, but I would strongly urge all Senators who can find the time to do so, to read the entire document.

In all fairness to the administration, it sets forth its case as clearly as I have seen it; I think the answers we have prepared will give the other side considerable force; and it should provide a good basis on which Senators can reach a judgment on this very complicated issue.

At this point I yield the floor.

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

U.S. SENATE,
Washington, D.C., August 13, 1969.

Hon. MELVIN LAIRD,
Secretary of Defense,
U.S. Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As you know, we are cosponsoring an amendment to the Military Procurement Authorization bill, S. 2564, which would delete $80 million of the funds requested for research, development, test and evaluation of an advanced manned strategic aircraft.

We believe members of the Senate have, through their attention to other programs covered in the bill, indicated a desire to be much more thoroughly informed about the reasoning and the assumptions which underlie costly new weapons systems. Certainly AMSA is such a program. Accordingly, we are submitting with this letter a list of questions designed to focus upon the issues which we feel should be resolved before we move ahead with an accelerated research and development effort.

Our amendment will be called up following the recess. We would, of course, appreciate having your responses prior to that time so they can be included in the Senate's deliberations on the AMSA program. In addition, to avoid difficulties associated with the use of classified materials, we hope that you will answer the questions to the fullest extent possible on an unclassified basis.

Many thanks for your assistance.

Sincerely,

CHARLES GOODELL.
MARK HATFIELD.
GEORGE MCGOVERN.
WILLIAM PROXMIRE.

THE SECRETARY OF DEFENSE,
Washington, D.C., Sept. 10, 1969.

HON. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR GEORGE: We welcome the opportunity to provide you with additional information on AMSA. The questions which you have posed show that considerable thought has been devoted to the subject. In this regard, I want to strongly emphasize the seriousness of this issue and the possible adverse impact on our future deterrent posture if we fail to modernize our bomber forces on a timely basis.

In order to provide for an orderly transition from the aging B–52's to a new bomber, we feel strongly that a replacement should be started in FY 1970. This does not represent a commitment for procurement of the new bomber force.

I hope the attached answers that we are providing to your questions will resolve and clarify any uncertainty you may have on the desirability of initiating the development of a new bomber in FY 1970.

If we can be of further assistance by contributing additional data or clarifying the data we have provided, my staff is available to assist in fulfilling your requirements relating to this important program.

Sincerely,

M. LAIRD.

Comment: B. (1) The various capabilities listed are discussed elsewhere.

B. (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?

Answer: Damage assessment of a prior ballistic missile strike can be accomplished by two means, manned aircraft and reconnaissance satellites. First, to ensure real-time sensing of continuing strikes a large number of reconnaissance satellites would have to be in orbit. Assuming the Soviets do not have an anti-satellite capability, the most difficult problem would be development of sensors for real-time bomb damage assessment (BDA) for all-weather operation. The most likely prospect would be a ground mapping radar. The necessary maps would have to be gathered within a few minutes of the detonation and relayed to surviving ground stations in near-real time. After the data is interpreted and a decision is reached to restrike a particular target, another ICBM must be launched, requiring another 30 minutes to reach the target and restart the BDA cycle. Consequently, each strike and BDA cycle would be expected to require one or more hours under the most favorable conditions.

A unique and necessary strategic mission for the manned bomber has been recognized for many years as BDA of prior strikes against the enemy's hardened counter force and prompt restrike using air-to-surface missiles (ASMs). The manned bomber would fly very low in the target area, under or around most of the nuclear debris and clouds, and be equipped with high resolution radar, forward-looking and vertical IR sensors and real-time displays. One unique advantage of the manned bomber is discrimination and decision in real time. Accordingly, the man, assisted by the bombing system avionics, determines the requirement for restrike and if necessary, can immediately launch an air-to-surface missile to destroy the target.

The entire process of BDA and restrike from AMSA if necessary would require less than ten minutes. Overall, the process would be much faster than using satellites, independent of the much greater reliability, lesser cost and greater probability of proper interpretation using a manned bomber.

Comment: (2) The estimate of ten minutes for BDA and restrike is given. But launching for a solid-fuel ICBM is about one minute.

It seems most improbable that the Soviets would hold their ICBMs in their holes long enough for a bomber to arrive, reconnoiter, and destroy. It is more probable that the approach of a bomber would force the Soviets to launch their missiles immediately, rather than risk having them destroyed in the ground. Thus, such a "damage-limiting" attempt would be more likely to increase the damage our country would sustain.

B. (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?

Answer: There are many different opinions concerning the best way to convey our intentions to an enemy during a time of crisis. Certainly, however, visible preparation for combat has proven to be effective. In past crises we have, at various times, called up reserves, deployed naval, air and ground forces, generated our bombers, and in the Cuban crisis, placed a significant number of bombers in the air as a "show of force."

The President's ability to launch ballistic missiles is as real as his ability to put bombers in the air, but not as apparent. The bomber provides a visual means to portray national intent to an adversary. Moving a large number of bombers onto an enemy's early warning radar in obvious preparation for a strike is much more convincing than verbal communication or "moving your finger a few inches closer to the launch button." Missiles are always in a strike posture but cannot become more so without being committed. A unique capability of manned aircraft is their recallability under these circumstances.

Comment: (3) Any evaluation of the effectiveness of a "show of force" against the Soviets is pure supposition.

To say that the visibility of a bomber makes it more frightening than a buried missile, is to credit the Soviet Union with very little rationality. We have every reason to think that "moving your finger a few inches closer to the launch button" of thousands of accurate, reliable, unstoppable thermonuclear missile warheads is so frightening an action that it is literally impossible to add to it.

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?

Answer: The AMSA cost estimates are based on the use of historical data from past and current programs. These data are used in formulas which are empirically corrected whenever additional cost comparison information becomes available.

The following estimates were made without the benefit of firm contractor proposals and it is assumed for planning purposes that in excess of 200 production aircraft would be procured. (It is emphasized that the current DOD program does not involve commitment to production on the part of the government.) All costs are 1968 dollars. The "spread" emphasizes the uncertainty associated with the cost estimates at this time.

[In billions of 1968 dollars]

	Spread
R.D.T. & E. (includes design, development, test, and 5 test aircraft)	1.7–1.9
Investment (aircraft; includes initial spares, tech data, and support equipment)	6.8–7.2
10 years of operation and maintenance	3.3–3.5
Total system costs	11.8–12.6

These cost estimates do not include inflation factors. If it is assumed, for example, that the inflation rate will be 4% per year throughout the development time period, then the cost for RDT&E could be as much as $2.2 billion instead of about $1.8 billion. However, we do not budget on the basis of projected inflation.

Unit Flyaway Costs is a term used to identify the cost of an airplane complete with all of its installed equipment but not including the costs of ground support equipment, training equipment or any other equipment or capabilities not associated directly with the flying machine. If the question is asked, "What is the cost of an AMSA?" the answer would probably be given in terms of the flyaway cost based on the advantage of a large production buy, e.g., in excess of 200 aircraft. Whenever a large number of identical items are produced (whether aircraft, automobiles, refrigerators, etc.) experience shows that the cost of each succeeding production item is slightly less than that of the preceding item.

Estimate per aircraft

	Million
AMSA average unit flyaway costs	$22–25
AMST average unit production costs (Flyaway cost plus initial spares, tech data and support equipment)	25–30

Another cost figure which is sometimes used as the cost of the AMSA is believed to be derived as follows:

$$\frac{\text{Total system cost}}{\text{Assumed aircraft buy}} = \frac{\$12B}{240} = \$50 \text{ million per aircraft}$$

A comparison of this cost ($55M/aircraft) with Unit Protection cost ($25–30M/aircraft) may be the basis for comments that the AMSA will cost twice as much as the Air Force is estimating. However, it should be recognized that the $50M per aircraft figure includes not only investment cost, but RDT&E and 10 years of operation. This involves an expenditure of funds over about 18 years.

Comment: III A and B Neglecting inflation, costs of sophisticated weapons systems have always run to several times their original estimates. There is no reason to assume AMSA would be an exception.

Nevertheless, I am grateful to Mr. Laird for releasing the current estimates.

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?

Answer: During the past several years OSD and the Air Force have extensively studied the requirement for an advanced bomber as a replacement for the B–52 in the post 1975 time period. The operational concept and the design and performance specifications have been refined and re-examined in depth on numerous occasions since 1964. Over $140 million has been devoted to system design studies and advanced development in propulsion and avionics in a competitive environment. As a result of several years of intensive study, analyses, and advanced development effort, all the necessary technology required for the proposed AMSA is available now.

The Air Force has attempted each year since fiscal 1965 to initiate weapon system engineering development for the AMSA. The JCS strongly support AMSA development in order to satisfy the force structure requirement envisioned for the latter half of the 1970 decade. Congress has historically supported the AMSA program and has in fact appropriated funds each year specifically for AMSA development. In November 1968 the Secretary of Defense approved a program involving a competitive design development effort. An additional $23 million was requested for FY 1970 to shorten the competitive design phase and to initiate full-scale engineering development, since it is believed that adequate paper studies have been conducted. This revised approach would permit the following: (1) a reduction of the RDT&E costs by about $350 million as a result of shortening the competitive design phase; and (2) an earlier procurement decision and advancement of the initial operational capability, if necessary.

The original program and the revised approach recognize the need to reduce the lead time required to develop and deploy a new bomber and therefore call for the initiation of development in FY 1970. The original program involved about a 2 year competition in each of three major areas (system, propulsion, avionics) prior to completion of development and thus was more costly and by necessity spread out. In view of the extensive effort that has already been conducted on this program in a competitive environment, the competitive design phase was shortened. Consequently, the new program could result in an earlier operational capability if a production decision is subsequently made. The program we proposed to initiate at this time would extend through design, fabrication and flight test of several aircraft and their subsystems but the program does not involve a production commitment on the part of the government.

D. What new steps in terms of contracts with industry are contemplated under the proposed program for fiscal 1970?

Answer: The AMSA procurement concept and contract will depend on two principle management tools for control of costs—management engagement with emphasis on costs and program control based on the demonstration of sequential technical milestones.

We plan to subordinate engineering engagement as normally exercised and concentrate on a combined management/engineering approach with emphasis on cost control. The inherent performance of the air vehicle including the subsystems, components, etc., is largely established early in the design cycle. Control through review of critical technical milestones during this early phase will assure the greatest inherent performance. Therefore, any large expenditure of dollars to meet required performance will be evaluated before the contractor is authorized to proceed. Proposals will be required from the contractor which will include cost and schedule impacts as well as technical considerations. Continuing management reviews will be conducted to assure the submittal and the creditability of this information. Controls will be established to preclude the contractor from spending large sums for redesign, without justification, once the initial design has been approved.

The development program will include a series of technical performance milestones in each of the three major work areas (airframe, propulsion and avionics) for demonstration of progress and to provide the confidence for proceeding with succeeding phases of the program. We propose to control the release of funds to the contractor commensurate with the attainment of critical technical milestones. The purpose of this control is to avoid spending large sums of money to meet a given program plan when a slippage in key milestones makes it impractical from an economic standpoint. The first and most obvious critical point or milestone is the beginning of the development program. At a somewhat lesser level, but still involving a sizable dollar commitment, would be a decision to initiate the fabrication of the first test aircraft or a decision to initiate the fabrication of the test engines which are required for installation in the test aircraft, etc. It will be the intent that the major decisions must be associated with the attainment and demonstration of technical milestones so that a decision can be made based on confidence in technical achievement. If the technical achievement which had been scheduled to support a major decision is not, in fact, realized at the time the decision needs to be made, the total program will be adjusted accordingly in terms of cost, schedule and performance.

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?

Answer: The amendment proposes to reduce the AMSA funding for fiscal 1970 from $100 million to $20 million. In the event funds are not provided for the initiation of engineering development of the AMSA weapon system in fiscal 1970, the introduction of a new bomber into the inventory would be delayed by one year. A level of expenditure of $20 million per year would be sufficient to support studies and continue advanced development efforts but would not reduce either the development lead time of this system or the time required to realize an operational capability. If we maintain this expenditure level until the need becomes reality (i.e., a discovered ineffectiveness in our strategic forces) we will still be about 7–8 years away from having the system in operationally significant numbers.

It should be emphasized that the proposed AMSA program is designed to maintain a production option rather than one which seeks approval of a production decision. The program reduces the time required to achieve an initial operational capability should it be necessary to move into production. The continued postponement of adequate funds to initiate the required engineering development program increases the risk that the United States will not be in a position to produce and deploy a new bomber when required.

Response: III(e) Mr. Laird says, "the proposed AMSA program is designed to maintain a production option. . . ."

The amendment would maintain this option. I would not cancel the AMSA program. It would give the Congress a year in which to carefully examine the option—to consider whether or not it is needed, effective, and worth the cost.

Rejection of the amendment would make AMSA possible by 1977 instead of 1978. Mr. Laird projects the life of the late B–52s into the early 1980s, the FB–111s considerably longer. Most estimates place the effectiveness of hardened or superhardened ICBM silos as running into the middle 1980s. As far as we know, our SLBM systems will be effective indefinitely. Under these circumstances, it is difficult to imagine that our national security will be effected by a one-year delay of AMSA from 1977 to 1978.

I. 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?

Answer: It is entirely possible that the Soviet Union could achieve by the mid-1970s a capability to reduce in a surprise attack, our surviving strategic offensive

forces below the minimum level required for "Assured Destruction," and thus gravely weaken our deterrent. The overall strategic balance between the United States and the Soviet Union is much too close to run that risk.

An important aspect of our strategic posture has to do with our ability to withstand any attempt at a disarming first strike by the Soviets. To this end it is essential that we maintain a deterrent posture with a mix of all three elements of our strategic force—bombers, land-based missiles and sea-based missiles.

Such a mix provides the best assurance that the Soviets will not be able to negate the effectiveness of our strategic forces by technological advances in one or more areas. The presence of one force element tends to fortify the viability of another, thereby strengthening the credibility of our total deterrent posture. The survival of bombers is insensitive to improved Soviet missile accuracy and Soviet anti-ballistic missile capabilities. For example, if and when Soviet missiles should have very low CEPs, our land-based missiles would be more vulnerable than at present. In this situation our bombers, along with sea-based missiles, would provide assurance against a crippling Soviet first strike. Should the Soviets make a breakthrough in antisubmarine warfare, our sea-based systems would be affected. Bombers and land-based missiles would provide protection against the consequences of a breakthrough in this area. Bomber survival, in turn, is dependent on adequate warning time of incoming Soviet missiles and its ability to penetrate enemy air defenses; thus land-based and sea-based missiles provide assurance in the event the Soviets find ways of negating our warning systems or offsetting the penetration capability of our bombers.

For operational reasons it is imperative that we continue a mixed force to provide us with an effective deterrent and importantly, in the event deterrence fails, the capability to respond across a broad range of possible conflict situations. We cannot preclude the possibility that the Soviets in the next few years may devise some weapon, technique or tactic which could critically increase the vulnerability of one or two of the elements of our strategic force. To arrive at a single system (missiles or bombers) for our strategic deterrent is a high-risk approach and in view of the consequences is not an approach consistent with our national security objectives.

The requirement for the AMSA is based upon our concept of maintaining a mixed force of bombers and missiles in order to assure our strategic deterrent capability during the foreseeable future.

Comment: 1.A. In theory, one can make a case for the most diversified deterrent possible. If we had four methods of delivering nuclear weapons I have no doubt we could make a case for a "quadrad" instead of a "triad" deterrent. If the system is feasible, and if we can visualize a danger, then the temptation to move ahead is extremely strong. In the case of manned bombers there is the added support from the tradition and bureaucracy that have grown up around them, and the emotional attachment many feel toward them. Nevertheless, while a "multiple system" deterrent may be desirable, a low-confidence system adds little to the deterrent.

Bombers are by far the weakest element in our triad; we need to seriously consider whether money spent on a new bomber might not be better spent on our missile submarine force, or perhaps turned to improving the quality of our society.

Finally, it is misleading to refer to missiles as a "single system." ICBMs and SLBMs are different systems in that they require different defenses.

(1) Is it contemplated that the Safeguard antiballistic system in which the Administration has expressed such confidence will fail?

Answer: We are confident the Safeguard will improve the prelaunch survival of our land-based ICBMs and alert bomber force.

Comment: (1) An infinitesimal improvement is not worth a great deal. It seems most unlikely that the improvement will be of such magnitude as to add significantly to our deterrent, but this is another matter.

(2) Is it believed that the Soviet Union will develop means of neutralizing our Polaris submarine fleet, recently described as "invulnerable" by its commander, Admiral Levering Smith?

Answer: Although we expect our Polaris/Poseidon submarines to remain highly survivable through the early to mid-1970s, we cannot prevent the possible Soviet achievement of a major breakthrough in antisubmarine warfare which could increase the vulnerability of our submarines. While we cannot predict with absolute certainty the degree of national effort the Soviets are willing to concentrate in this area, we do know they are working to counter our forces. Hence, we think it is wise not to place undue reliance on the continuing low vulnerability of the Polaris/Poseidon submarines. Admiral Smith's comment was made in the context that we continue to conduct developments that will ensure the survivability of the Polaris/Poseidon submarines. Examples of such developments in the FY 1970 budget are two new program elements—ULMS and SSBN Defense.

Comment: (2) We should not overestimate the very primitive status of anti-submarine technology. There is no technique in production, under development, or on the remote horizon which promises reliable detection of a missile submarine in the very large volume of water in which it can operate. Secretary Laird is referring to some completely unforeseen, presently inconceivable technological breakthrough. Of course, such a thing is possible, but it is far less likely than evolutionary improvements in existing bomber defenses which might give them great effectiveness. Moreover, I assume that we will not miss any opportunities to improve our SSBN systems.

(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?

Answer: It is assumed that the two systems referenced are ICBMs and SLBMs. If so, our land-based and sea-based missiles present unique problems to an enemy attempting to destroy these forces prior to launch. It is not likely that the Soviet Union would be able to critically degrade the prelaunch survival of land-based and sea-based at exactly the same point in time; however, we cannot rule out the possibility that degradation of both of these systems could occur within a time period (e.g., 2 or 3 years) in which it would be difficult for us to respond due to inadequate lead time.

From the standpoint of Soviet defenses, the ICBM and SLBMs present similar problems. Hence, it is more likely that a defense that will degrade one missile system will also be effective against the other. This is yet another reason why it is to our advantage to continue to modernize the bomber force which presents a dissimilar, and in many ways a more demanding, problem to the Soviet defenses.

Comment: (3) Mr. Laird's points are valid, but he is discussing extremely small possibilities. To repeat, we need to consider whether a dollar spent on improving our SSBNs, or on improving our cities, does not do us more good than a dollar spent on a new bomber.

(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?

Answer: The possibility always exists that a system can be neutralized. Superhardening of the ICBM silos would improve their prelaunch survival, particularly if under the additional protection provided by Safeguard. Nevertheless, missiles may be vulnerable to countermeasures once they have been launched. MIRV warheads in both the ICBM and SLBM forces will greatly enhance their effectiveness and probability of penetration, as compared to other penetration techniques.

Comment: (4) The possibility of neutralizing a MIRV ICBM–SLBM offensive remains extremely small.

(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?

Answer: The reference to counterforce weapons is not clear; however, superhardening and MIRV were mentioned in the previous question. These techniques were developed to improve our deterrent and not to provide a counterforce capability. If counterforce refers to the development of Soviet weapons, then the Soviet Union may be deterred by the possibility that we would launch our ICBMs and SLBMs on warning. It is just as possible (if not more so) that the Soviets will not be deterred, especially if they continue their rate of advancement in both performance and numbers of offensive and defensive weapons systems. In addition, the possibility of our launch on warning may cause the Soviets to accelerate their rate of improvement of defensive systems to counter what would appear to them a greater threat. In this regard the proper "balance" of strategic offensive and defensive forces is essential to insure our national security.

Comment: (5) The statement, "It is just as possible (if not more so) that the Soviets will not be deterred, especially if they continue their rate of advancement in both performance and numbers of offensive and defensive weapon systems", is difficult to understand. Their offensive systems would give them no protection if we adopted a launch-on-warning policy. All evidence indicates that it is impossible for them to build an effective defense against a heavy attack using MIRV and pen-aids, and it would be foolish of them to waste their resources in an attempt to do so.

Mr. Laird fears that launch-on-warning would cause the Soviets to accelerate their defense. One wishes he were equally aware that our ABM will force the Russians to develop MIRV, that our MIRV will force them to deploy MIRV on a large scale, and that this arms race cycle must be stopped before it is too late.

(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?

Answer: Yes, ballistic missile defense in the last ten years has progressed from what was believed to be an impossible task to where it is now roughly an equal alternative to additional offensive missile systems. We cannot guarantee that in the next ten years defense might not, for a time, be superior to offense, at least in the ballistic missile area. Further, if the Soviets develop an effective first strike against our land-based missiles, then their anti-ballistic missile systems might be very effective against sea-based

missile forces. This situation illustrates the need for a viable bomber force.

Comment: (6) If the Russians can develop and deploy an effective ABM, which is most unlikely, it seems hard to believe that they would not be able to solve the far simpler problems of aircraft defense.

(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?

Answer: We cannot predict with certainty how the Soviets will react. Thus far, our strategic forces have been sufficient to deter an all-out Soviet surprise attack against the United States. If we are to continue to deter the initiation of a nuclear war, it is absolutely essential that we make two things clear to the Soviets (or any other potential enemy): (1) our intention to respond to a first strike; and (2) the gain which they might achieve by initiating a war against us will be more than matched by the damage which we will inflict in return. Deterrence could fail if the Soviets miscalculated our intentions to respond or the capabilities of our offensive forces to inflict damage to their military forces and urban-industrial base after sustaining damage from a first strike. It is not clear that the Soviets would be deterred from initiating a first strike, if their estimate showed that they could inflict a high level of fatalities against the United States and suffer a low level of fatalities in return. Such calculations could be made by the Soviets if we allow one or two elements of our offensive forces to deteriorate in strength and our remaining forces are negated (at least in part) through a technological advancement or tactical surprise.

Comment: (7) The fact remains that, before they launch a first strike against a bomber-less United States, they must have very high confidence they can destroy our SSBNs and ICBMs simultaneously, that we will not launch on warning, and/or that their ABM will be sufficiently effective and reliable to protect them from our second strike. It is inconceivable that they could develop anything that would give them this confidence.

It is possible, of course, that the Soviets would place their faith in an unreliable ABM, or an unreliable ASW device, and attack without reason for high confidence in their immunity to our second strike. But such an act would be highly irrational; if they are going to be irrational, the entire concept of deterrence is worthless and a new bomber will not help us.

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 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 FB–111/SRAM insurance would be more desirable than missiles. What is the current status of these relationships?

Answer: Comparisons of the type you suggest are extremely sensitive to the assumed scenario and there are, of course, a large number of possible war scenarios and a wide range of assumptions associated with each. For example, the number of Minuteman III missiles required to equal the effectiveness of a given bomber force is significantly influenced by the degree of strategic warning assumed and the generation rate of the bomber force during this warning period. For instance, assuming no Minuteman III's destroyed before launch, the ratio of Minuteman III 5-year costs to AMSA 5-year costs to deliver the same number of weapons to target would be about 0.58 for a bomber generation rate of 40 percent. For a fully generated bomber force (90 percent) the ratio would be about 1.34. Similarly, the number of missiles assumed to be destroyed before launch is also a driving factor and this is dependent on a host of assumptions regarding attack timing, warning time, launch doctrine, attacking missile accuracy, etc. To illustrate this point, the above ratios would change to 0.73 and 1.67 if only 20 percent of the missiles are assumed to be destroyed before launch. Further, the described comparisons are relevant to soft targets where delivery accuracy is not a significant factor. If hard targets are considered, the better delivery accuracy of the AMSA would alter the ratios in favor of the AMSA assuming time urgency of the targets is not a deciding factor.

In general, our past studies have shown that the relative cost effectiveness of pure missile and pure bomber forces varies as the scenarios and assumptions are changed. Studies have also shown that a mixed force of missiles and bombers can, against an uncertain threat, provide a more cost-effective deterrent than a pure force of either system. In short, a mix of bombers and missiles compounds the enemy's defense problems and makes him spend considerably more to obtain a given level of defense and diverts his resources that might otherwise be spent on offensive systems.

B. (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?

Answer: First, it should be noted that both bombers and missiles can be "MIRVed." As an example, AMSA can carry many missiles such as SRAM. The results of a comparison of the cost effectiveness of bomber and missile systems depend on the assumptions concerning pre-launch survivability and on the postulated enemy bomber and missile defenses. It can be seen from the example provided in the previous answer that with certain assumptions a case can be made for or against either system.

Comment: 1.B. and (1) As Mr. Laird says, the outcome of these comparisons depends upon one's assumptions. It seems a reasonable assumption, however, that after-launch attrition of bombers will be far higher against a sophisticated defense than will after-launch attrition of missiles.

Regarding Mr. Laird's statement that AMSA's accuracy gives it an advantage against hard non-urgent targets, I find myself unaware of any such targets; perhaps he could cite some examples.

B. (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?

Answer: The Soviets are certainly capable of improving their defenses against all threats and they continue to devote a large portion of their total resources to both offensive and defensive weapon systems. This is a basic reason why we believe it is important to maintain a strategic deterrent force consisting of missiles and bombers.

In many respects to realize an effective air defense against bombers penetrating at very low altitude is much more difficult than an ABM defense. For example, the operational flexibility of bombers permits penetration of the Soviet Union from virtually any direction. This greatly increases the area that must be defended and compounds the command and control problems of the air defense. The Soviets recognize the effectiveness of bombers and they are making significant improvements in their manned aircraft defensive systems. Nevertheless, the AMSA will be able to penetrate the postulated Soviet air defense system with much greater effectiveness than our current bomber force.

The improving Soviet capabilities have resulted in the danger of destruction of our bomber forces. These measures have progressively reduced the warning time for launching the bomber force. Our response has been to disperse the alert bomber force. In this regard, one of the major design objectives of the AMSA is to enhance the system pre-launch survivability through wide dispersal to austere landing sites and quick reaction capability. This is to be accomplished in two ways. First, the system will be designed so that it can be a safe distance away from the base within the very short time available. Second, its take-off and landing characteristics will permit dispersal to a very large number of airfields throughout the country, compounding the targeting problem of the attacker.

Comment: (2) The ability to penetrate from many directions, which is shared to some extent by our SLBMs, is of some value. However, it is universally acknowledged that it is impossible to defend against a heavy MIRV-plus-penaid missile attack regardless of direction of origin.

Much of the advantage of low-altitude penetration is lost as the defense deploys look-down radar.

If "the Soviets recognize the effectiveness of bombers," one wonders why they aren't building long-range types, and why their only existing long-range heavy bomber is a propeller-driven model, inferior to our B–52 in all major parameters.

Mr. Laird implies that AMSA will lend itself to dispersion and quick takeoff better than the present B–52/B–58/FB–111. Why is this? Is it significant, when one considers that getting the bombers off the ground will be of little value unless the tankers also can take off safely?

B. (3)(a) 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 anti-missile defense. In this connection, 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?

Answer: A mix of bombers and missiles tasks the Soviets' defenses; they must defend all targets against both bombers and missiles. If they did not "balance" their defenses, we could use bombers to attack targets defended against warheads from missiles, and vice versa. Thus a mix of forces on our part makes the Soviets spend considerably more to get a certain level of defense. Alternatively, for a given Soviet expenditure on defense, we do not need as many forces to do the job as if all our forces were either bombers or missiles. Funds we devote to bombers, rather than to additional missiles, also insure against gross failure of our missile systems.

Additionally, there are many uses for the bomber force other than the real and extensive diversion of Soviet funds into air defenses. High performance bombers can provide a capability for selective response and precision delivery where constraints preclude commitment of our missile forces. Bombers can be recovered and reconstituted and used to strike additional targets. Bombers can also provide effective augmentation of our general purpose forces in nonnuclear conflicts (e.g., B–52s in South Vietnam).

Comments: (3)(a) Since we know defense against a heavy missile attack to be futile, why do we desire to force the Soviets to divert funds from missile defense? Moreover, to force the Soviet Union to increase defense

spending of any type is undesirable: it increases international tension, and with it the chance of nuclear war. Thus, to whatever extent AMSA would be effective in this regard, it would not be a deterrent but an incitement to war.

The idea of recovering and re-using a bomber in an allout nuclear war is bizarre. It is doubtful that there will be airfields left to land on. It is certain that what happens after the first massive exchange will be of little importance.

B. (3)(b) Do not existing bombers, the B–52, 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 not this 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?

Answer: The combination of good points of the three different aircraft does not result in the same effectiveness as a single aircraft having all the good points. The current strategic aircraft have certain shortcomings which AMSA would not have and which can be exploited by the enemy to degrade the individual effectiveness of the current bombers. For example, the high speed of the FB–111 does not reduce the vulnerability of the slower, larger radar signature B–52 nor does the long range and large payload of the B–52 permit the FB–111 to attack deep targets at high speed while carrying adequate penetration aids against advanced defenses.

The AMSA design combines many of the good features of the FB–111, B–58 and B–52, while minimizing the shortcomings of all three. Such a system imposes a greater strain on defenses than the FB–111/B–58/B–52 combination. An AMSA force would be an economical replacement for the current strategic bomber force (B–52/B–58/FB–111) because of the larger payload capability and improved penetration characteristics of the advanced bomber. That is, a smaller AMSA force can be deployed that will provide the same effectiveness as the B–52/B–58/FB–111 force. It is estimated that the research and development and initial investment costs of an equal effectiveness AMSA force will be amortized about ten years after deployment of the first wing.

Comment: B3b Doubtless it is desirable to have all the advantages combined in a single aircraft. The question is whether it is worth the cost. In his cost comparison, Mr. Laird deals with real costs of the B–52/B–58/FB–111. We have built these planes; we have them in the inventory: we know how much they cost. On the other hand, the AMSA figures are projections from the present predevelopment stage. All experience indicates that these costs will increase by at least 2 to 1, even neglecting inflation. AMSA will not be cheap.

And the thrust of the question remains: If the Soviets are going to attempt a bomber defense, existing aircraft will force them to develop defenses against low-level supersonic bombers, long-range bombers and, pen-aids; in short, against everything AMSA can do, even if we have no AMSA.

B. (3)(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?

Answer: The development of advanced penetration aids will certainly enhance the capability of existing bombers to penetrate area defenses and permit standoff weapon delivery against terminal defenses when necessary. However, the ability of bombers to penetrate air defenses is a function of both aircraft characteristics and the quality of penetration aids carried on the bomber. Experience indicates that both carefully designed aircraft characteristics and carefully designed penaid qualities are required. The AMSA will incorporate basic design characteristics that will provide significant penetration survival improvement over current bombers. These design features include reduced radar cross section and infrared signatures, speed versatility at high and low altitude, and the capability to penetrate at lower altitudes which not only improve the basic aircraft penetrability, but also make the problem of designing penaids less difficult. The AMSA with its higher speed would be exposed to the defenses for a shorter time; for a given level of protection its ECM requirements are less than the B–52 because of smaller radar signature; and its lower penetration altitude reduces detectability by ground radars. In addition, as defenses improve, a greater portion of the bomber's effective payload may be devoted to advanced penetration aids to enhance effectiveness. The larger payload capacity of the AMSA will accommodate a wide variety of penetration aids and weapons which means more targets killed per aircraft for any given level of defense.

Comment: B–3(c) Again, it is a question of whether the advantages of AMSA are worth the cost.

Moreover, there is much to be said for putting one's eggs in many baskets. Even the smallest of the bombers under discussion carries enough thermonuclear explosive power to destroy almost any target. Using large numbers of cheaper bombers would make it easier to saturate the defense and would decrease the effect of unexpected high performance on the part of the defense. It also permits greater targeting flexibility.

B. (3)(d) If there were no problem of strategic obsolescence, how long could existing strategic bombers be made to last through continuing modifications and restructuring?

Answer: Physical age becomes a problem to the extent that deterioration does occur in the structure, wiring, cables, engine performance, etc. and continuous modifications are required. It is presently expected that the structural life of the newest model B–52s will last, under projected usage, until sometime in the early 1980's with appropriate modifications. However, the extension achieved by these modifications is a calculated estimate and thus the service life of the B–52 force has significant uncertainty.

We cannot predict, as well as we would like, how aircraft structure will respond to usage. The B–52s will spend a large part of the time operating in a low altitude flight environment for which they were not initially designed, thereby increasing the possibility of structural problems. If and when we detect a major structural fatigue in the B–52 force, it may be too late to produce a timely replacement aircraft. This problem is compounded by large uncertainties in the magnitude of the costs that may be required to keep old systems viable. We do know, however, that as age increases so does the risk of incurring large modification costs. As in all complex machinery at some point it becomes cheaper to buy a new system rather than continue to repair.

The Air Force has carefully planned and proposed an orderly, well-balanced and low-risk development program starting in fiscal 1970 leading to the first flight of a new bomber in 1973. No production commitment on the part of the government is currently proposed; however, if a production decision is subsequently made we could achieve an initial operational capability in fiscal 1977 and a fully operational force a few years later. By that time the B–52s will be 17–20 years old. The best B–52, the "H" model, represents the maximum growth economically attainable within the constraints of the basic B–52 design. It would be tremendously expensive to make the B–52 faster, carry more payload, fly lower or have a smaller radar cross section. Additionally, certain improvements such as to provide for B–52 self-sufficiency for wide dispersal to improve prelaunch survivability would involve high costs and excessive fleet downtime. While we would be able to use new weapons or penetration aids on the aircraft against an improving threat, we have reached the point where a sounder investment is to acquire a new bomber rather than to keep modifying the old.

II. SECONDARY CAPABILITIES OF BOMBERS

A. (1) We are told that a "fall out" benefit of AMSA would be its utility in situations calling for conventional response. In this connection, 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?

Answer: A bomber, including the B–52, designed for nuclear war will be a more sophisticated aircraft than is needed when attacking undefended targets. However, in a permissive air environment, the most important aircraft characteristic is ton-mile economy, that is, minimum cost per pound delivered. AMSA with its large payload capability would have the ton-mile economies of a larger aircraft and regardless of its sophistication, it would be more effective than the B–52.

The AMSA would also have a conventional bombing capability significantly better than that of the B–52. Specifically, the AMSA bombing system would be much more accurate; and accuracy is vital in the type of bombing that the B–52 has usually been doing in South Vietnam. Accuracy is also critical when attacking such targets as bridges, industrial structures, power plants, etc. The second major advantage of the AMSA would be its ability to survive in a hostile defense environment. Because of its higher speed and lower radar and infrared signature, the AMSA would be able to penetrate defenses much better than the B–52. In fact, the AMSA is the only aircraft projected to have the capability to carry large conventional payloads at supersonic speed. This is because its normal payload is carried internally. Finally the AMSA would far exceed the payload capacity of the B–52. In view of the foregoing, the AMSA would perform with significantly greater effect in the conventional role than the B–52.

Comment: II A (1) In Vietnam, for propaganda reasons we have refused to send our B–52s against defended targets; we have not exposed them to SAMs or interceptors. Presumably AMSA would operate under the same restrictions; thus its improved penetration ability would not be used. Improved accuracy is of some value, but it may not be worth the cost.

A. (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?

Answer: As we saw in North Vietnam, bombing may have to be conducted in a very hostile nonnuclear environment. When this is the case, ton-mile economy is no longer the predominate factor. Probability of survival becomes extremely important even to the point where the relatively poor ton-mile

economy of the F–105, as compared to the B–52, is preferred. To exploit these economies the large aircraft must have penetration survival similar to that of small aircraft and must be able to deliver its larger payload efficiently.

The AMSA combines the good ton-mile economy of the large aircraft with much of the performance of a fighter-bomber. The speed and altitude versatility of the AMSA would permit avoidance of concentrated AAA and small arms defenses and would provide better modes for coping with all but very high performance interceptors. Interceptors and nonnuclear surface-to-air missiles can be degraded by electronic countermeasures particularly as detailed knowledge of the defense system is obtained. Because of the advantages which accrue from night, all-weather delivery with high accuracy, the AMSA has greater potential for effective nonnuclear attack of fixed targets in hostile defense environments and could provide much more effective augmentation to the capabilities of our General Purpose forces than can be achieved with the current bomber force.

Destroying large or hardened military targets is intrinsically more expensive using nonnuclear weapons than with nuclear weapons, independent of the attendant aircraft attrition due to the defenses. A severe defense environment will further increase the total cost of destroying the targets. One can postulate nonnuclear scenarios involving sophisticated air defenses where we could not afford to attack on a repetitive sortie basis with any aircraft. Accordingly, the use of AMSA in nonnuclear conflicts would require assessment of the importance of the objectives versus the cost. Certainly an expensive weapon system would not be exposed to high risks unless the objectives were deemed important enough and lower cost options were not available.

However, the existence of the strategic bomber, primarily designed for the nuclear role but possessing excellent nonnuclear capabilities, affords an important choice. The existence of this option is and will be a deterrent to potential enemies across the spectrum of conflict.

A. (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?

Answer: The rate of build-up and location of a nonnuclear conflict influences the relative utility of long-range bombers versus tactical aircraft. For example, if the conflict develops suddenly in an area remote from normal carrier operating stations or major tactical air facilities; a small number of long-range bombers can deliver very large payloads in a few hours. Should the conflict be located near the interior of a large land mass where the range/payload capability of the carrier or land-based tactical fighter is significantly reduced, the long-range bomber may be the only aircraft that could be immediately responsive to the situation.

The use of B–52s in Vietnam is one recent example of how bombers can be used as opposed to tactical fighters. The fighters are used in close air support, interdiction, and air superiority roles and are not free for the saturation bombing that can be accomplished by the large bomber to prevent massing of troop concentrations (e.g., Khe Sahn) and to harass enemy troops. In future nonnuclear conflicts, the AMSA will be a far greater asset to our war fighting capabilities than the current bomber force.

The massive application of aerial firepower early in a nonnuclear conflict would be much more effective at less cost than attempting to destroy the same targets several months after sophisticated defenses have been established. When the tactical air forces are in place, air support can best be provided using the smaller tactical aircraft. However, the large bomber may still be best used when saturation bombing is required for a major ground offensive or when there is a vital need for long-range interdiction missions.

Comment: (2) and (3) One can postulate a scenario in which almost any conceivable weapons system could be used. Once again, the questions are: What is the probability of the situation materializing? If it does materialize, will the advantages of the new system be worth the cost?

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?

Answer: Flexibility is attributed to manned bombers because of their utility in a wide variety of conflict situations, both nuclear and nonnuclear, and their versatility within these several applications. By way of illustration, the B–29 in its lifetime was used for delivering high explosives, nuclear weapons, fire bombs, aerial mines, and psychological warfare materials. It attacked cities, industry, troops, airfields and bridges. It was used for weather and photographic reconnaissance. Some of the capabilities which make up the "flexibility" attributed to manned bombers include the following:

Launch to test operational readiness and use as a show of force during periods of tension anywhere in the world.

Return to base prior to commitment of the force, thus enabling authorities to cease military operations if political decisions require.

Use in a conventional role or limited nuclear exchange where extreme accuracy not attainable by ballistic missiles is required.

Assign multiple targets, releasing weapons preplanned or on alternate targets as dictated by the tactical situations, and react to the threat by changing or maneuvering on penetration to the target.

Recovery and reconstitute subsequent to an initial nuclear exchange and use to strike additional targets detected by our reconnaissance and surveillance systems or to strike targets not struck initially.

Such "flexibility" while not readily amenable to cost-effectiveness analyses, is real none-the-less, and is not possessed by ballistic missiles. The manned aircraft still remains the most versatile weapon system yet devised for delivering munitions.

It is true that ballistic missiles provide a quick response to time-urgent targets for possible damage limiting because of their much shorter time of flight. However, once the bomber has been launched under positive control there is no problem of survival prior to the penetration of Soviet air space, whereas the missiles must either be launched or survive an attack to be useful. Further, with satellite communications, bomber weapons could be retargeted or withheld up to the point of weapon release which would only be seconds away from impact.

Mr. BYRD of Virginia. Mr. President——

The PRESIDING OFFICER. The Senator from Virginia.

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

Mr. BYRD of Virginia. I am glad to yield to the distinguished Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, is there not an order under which the Senator from Mississippi was to be recognized at the conclusion of the speech by the Senator from South Dakota (Mr. McGOVERN)?

The PRESIDING OFFICER. Yes.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, notwithstanding that order, and without prejudice to the rights of the Senator from Mississippi under the order, the Senator from Virginia be recognized for not to exceed 5 minutes and that rule VII be waived for the Senator.

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

THE WAR IN VIETNAM

Mr. BYRD of Virginia. Mr. President, over the weekend President Nixon has been criticized for permitting the use of B–52 bombers against enemy troop concentrations in South Vietnam.

It was only 17 months ago that the then President, Lyndon B. Johnson, restricted and subsequently eliminated all bombing of North Vietnam. President Johnson did this with the expectation that it would bring about productive peace talks in Paris.

Now, what has happened during that 17-month period?

The Paris peace talks have produced zero results. There is no evidence that we are any closer to a negotiated settlement of the Vietnam war today than we were 17 months ago.

What has been the result on the battlefront of President Johnson's decision to restrict and then eliminate all bombing of North Vietnam?

The result on the battlefront has been this: During that 17-month period, April 1, 1968, through September 6, 1969, the United States has suffered 141,045 battle casualties, dead and wounded.

This figure of 141,045 U.S. battle casualties represents 49 percent of all the casualties we have suffered in this long Vietnam war.

From the beginning, Mr. President, I have felt, and have stated many times on the floor of the Senate, that it was a grave error of judgment to become involved in a ground war in Asia. But then we compounded that error by the way the war was conducted. And now, the Paris peace talks have lulled the American people into a false sense of security.

The end is not in sight—and the casualties continue.

The record shows that regardless of the concessions made by the United States, the enemy has given nothing in return—and has continued to demand that North Vietnam and the Vietcong be awarded a total political victory.

In view of the record, I do not join with those Senators who condemn President Nixon for being reluctant to make additional concessions to Hanoi—including the elimination of bombing of enemy troop concentrations in South Vietnam.

Mr. BYRD of West Virginia. Mr. President, notwithstanding the order, I ask unanimous consent that there be a brief

quorum call pending the arrival of the Senator from Mississippi on the floor.

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

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

Mr. BYRD of West Virginia. Mr. President, I must object at this time.

The PRESIDING OFFICER. Objection is heard.

The rollcall was resumed.

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

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the previous order be vacated.

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

Mr. MURPHY. Mr. President, I thank the distinguished acting majority leader for the privilege of making this presentation at this time.

THE KING FOOTBALL CONFERENCE

Mr. MURPHY. Mr. President, I had the good fortune to witness on Saturday a spectacular event of great magnitude and significance. I was so deeply affected by it that I want to share that experience with my fellow Senators.

We often hear that the youth of our country are both troubled and troublesome; we hear that they are undisciplined; we hear that they have moved away from the traditional values that made our Nation great. We hear all sorts of strange things about the young people of today. I have never lost confidence in them. I think they are wiser and smarter, and I think by and large they are better than the generation ahead of them. What I viewed on the Downey High School football field on Saturday, September 13, furnished me with new evidence of the true nature of the great majority of the youth of our great Nation.

I saw thousands of boys and girls gathered for the opening of the King Football Conference, which for 17 years has been building sportsmanship and companionship among youngsters in southern California. The 103 football teams, each with 33 boys aged from 9 to 15, play nine games each fall. These boys are cheered in their efforts by 1,800 pom pom girls aged 6 to 15. Volunteering their time are 626 coaches, managers, and officials—all dedicated, all capable, all donating their services—under the dedicated and capable direction of T. J. Sullivan, the conference commissioner. Mr. Sullivan has been with the conference since its inception, and its manager for the past 7 years.

Mr. President, the sports competition has major significance, but equally important is the scholastic achievement encouraged for the youngsters by their participation. They must have a "C" average to qualify at all and they must maintain that average to stay in active competition. In addition, the youths get a special award if they maintain a B-plus school grade average while competing in the football conference. The team with the highest scholastic average is granted a special award.

Mr. President, I cannot recall seeing anything more thrilling or exciting than these thousands of youngsters—of all creeds, colors, and national origins—and we have them in California—gathered on that football field in a massive demonstration of this Nation's real grassroots.

There was full integration. There were those of Spanish ancestry, Mexican ancestry, Japanese, Chinese, Filipinos, Italian Americans, Irish Americans—all shapes, sizes, and colors. Nobody seemed conscious that there was any difference one from the other. That is the kind of America that I grew up in, and the kind of America I think we would all wish to see, among the grownups as well as the youngsters.

Too often our communications media feature only a very small percentage of our youngsters who from time to time seem to get into trouble, or seem bad, or seem to be troublemakers. I think they should also show the side of our Nation's youth which I viewed—strong bodies and strong minds engaged in honest, healthy, rewarding competition. There were no television cameras to record this significant event, though I did ask for some photographs, and I hope that I shall have them in my office within the week, because I would like to exhibit them to my colleagues in the Senate.

I had hoped that television cameras would be present. I believe it would have been most beneficial for the people of my State and of the Nation. In fact I would hope what I saw could be spread over the entire world. Perhaps next year they will be there. I intend to do everything I can to insure it.

Meanwhile, Mr. President, I commend all the officials and participants in this conference, with particular credit to Mr. Sullivan, for their devotion to the American ideal. I told those youngsters and their parents on Saturday and I want to repeat today for my colleagues and the entire Nation that I believe these youngsters demonstrate the true foundation for citizenship, the true spirit of strength and belief in America which will keep this Nation strong, and the voluntary community participation which makes this possible.

This is an example of the characteristic—which has not been published or exposed enough—which has been the true strength behind the progress and success of our great Nation.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

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

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

The 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. It is my understanding, Mr. President, that the Senate in a body will proceed to the Hall of the House of Representatives at approximately 12:30 for the purpose of hearing the three astronauts address a special joint session of Congress.

Therefore, Mr. President, I ask unanimous consent—and this request has been cleared on all sides—that with the time out for the recess to hear the astronauts' address, there be a time limitation, beginning at 11 o'clock, after the conclusion of the prayer and the disposition of the Journal, the time to be equally divided between the distinguished Senator from Mississippi (Mr. STENNIS) and the distinguished Senator from South Dakota (Mr. McGOVERN), and a vote to occur not later than 4 o'clock tomorrow afternoon.

If I may interpolate here, it would be quite possible that the vote could come before 4 o'clock. It would also be understood that if the distinguished Senator from South Dakota (Mr. McGOVERN) desired to modify his amendment, he would be free to do so.

Mr. SCOTT. No objection.

The PRESIDING OFFICER. Does the Senator also request that the time limit be on this amendment as well as the amendment thereto?

Mr. MANSFIELD. Yes, indeed.

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

The unanimous consent agreement was subsequently reduced to writing, as follows:

Ordered, That effective after the prayer and approval of the Journal on Tuesday, September 16, 1969 the time for further debate on pending amendment (No. 130) offered by the Senator from South Dakota (Mr. McGovern), to S. 2546, the military procurement authorization bill, and amendments thereto, shall be equally divided and controlled by the Senator from Mississippi (Mr. Stennis) and the Senator from South Dakota (Mr. McGovern).

Ordered further, That the Senate shall begin voting not later than 4 o'clock p.m. tomorrow, and that the Senator from South Dakota (Mr. McGovern) shall not lose the right to modify his amendment (No. 130) prior to a vote.

Mr. STENNIS. Mr. President, I propose now, on behalf of the committee, to speak rather briefly and give the high points

of the reasons why the committee included this item in the bill for fiscal 1970. Thereafter, if it is agreeable, I should like for the Senator from Nevada to seek recognition, that he may explain in more detail the nature of this bomber and matters related to it.

The Senator from Maine (Mrs. SMITH), the ranking Republican member on the committee, not wishing to speak particularly today, I ask unanimous consent that when I conclude my remarks, which will be within 25 minutes, the Senator from Nevada be recognized.

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

Mr. STENNIS. Mr. President, the question involved here is rather narrow and rather limited in foundation, at this stage, but it is a very large question for the future, with reference to our preparedness.

This concerns a new, so-called big bomber that would be a successor to the B–52. By the time this weapon becomes available in 1977 to 1978, the youngest members of the B–52 family will be more than 17 years of age. So, the big question is whether we shall have this added choice of deterrence, this alternative choice with reference to the bombers.

Mr. President, the exact amount of money available in what we call the Clifford budget was $72 million. In the last budget the amount was set at $95 million.

The committee reviewed the reasons for the additional funds very carefully because this is a very highly important matter. The committee decided on the whole to recommend the figure of $95 million.

The only money on hand that has already been appropriated for this purpose is $5 million. So, we are not talking about an item involving a great deal of surplus funds.

The total amount appropriated today on the entire project in its earlier research and development stages is approximately $140 million. The amount that has been obligated to date for this purpose is $135 million. The difference of $5 million is what accounts for the old money I have just mentioned.

The Senator from South Dakota and the sponsors of his amendment do not propose to cut the amount entirely out of the budget. They propose, in effect, that there is some need for a further consideration of this weapon. They are not willing to take all funds out of the budget. However, they propose to leave in the budget only $20 million for a further paper study of the project. That is well and good.

I am glad they were willing to do so. However, that shows how narrow the gap is and how narrow the issue is here.

The committee is not proposing that we make an irrevocable decision to proceed with the weapon. We do not even allow for any prototype weapons within the authorization. The authors of the amendment do not propose that we abandon the weapon.

The committee merely proposed that during this fiscal year we continue this research.

The only difference between the committee and the proponents of the amendment is with reference to the rate of progress that we make during this fiscal year.

The committee bill and the report hold the project down this side of production. It does not even permit a prototype, the first run plane of the bomber. That is all postponed beyond this fiscal year and beyond this bill. Production of any kind is postponed beyond this fiscal year.

The committee report on page 9 contains this language:

> The decision on production and deployment of AMSA is not a matter for consideration at this time and as stated above, there are no procurement funds in the authorization bill.

There is no question about funds being cut off this side of production or even this side of a prototype. That was the role of the committee.

The committee, like the proponents of the amendment, was not willing to take the project out of the bill. The committee wanted to leave the project in the bill with the idea that it would move forward if it became necessary.

It is a matter that will bring us face to face with a decision next year as to whether the weapon is to be put in our inventory—not for use at this time, because that could not be done now—for 1977 to 1978.

For the information of the Senate, the committee estimates that something like $300 million will probably be asked for in the 1971 budget by the Air Force and the Department of Defense. That would be a logical figure as we see it. And we expect if the project remains in the bill and the money is appropriated that next year we will be in engineering development to the extent of approximately $300 million in new money.

I will return later to the probable cost of this weapon. In passing, though, the Laird budget—even though an increase in funds for this project is reflected—took $219 million out of the budget for what has become known as the FB–111, the bomber version of the old TFX.

That money would provide for 22 of those bombers. That was in the original budget for this year. But a clear-cut decision was made to go all the way toward eliminating that item and not buying any more of them. Whatever money was to be spent should be spent on the plans for a new and more advanced and more formidable long-range bomber. The FB–111 was not designed as a long-range bomber. It was what we call a fighter bomber.

So, the committee made a clear-cut decision to stop the production of the FB–111 and move toward the production of the other plane. The reason for that will be explained at length later.

The present estimate as to the cost of the research, development, testing, and engineering—and that is all included in what is ordinarily referred to as research and development, and we will try to get those names changed and not let all of it be referred to as research and development—of five aircraft prototypes beginning next year and all the way through that phase of it would run from $1.7 to $1.9 billion.

I do not think any system ever devised could give accurate figures at this stage.

It is one of those things that cannot be known. We do not know what kind of a weapon we will have. We do not know how fast it will move along.

I point out, too, that the figures we are talking about now consist of what they refer to as 1968 dollars. These figures do not take into account the probable inflation rate.

I will come back to that. But all the way through we are talking about 1968 dollars, running from $1.7 to $1.9 billion, and I think it would run more than that. It is not what we call an overrun now, but already we have had inflation, and costs have been going up. I would expect the research, development, test, and engineering in those five test aircraft to run close to $2.2 billion—closer to that than the lower figure of $1.9 billion.

At this stage the committee cannot guarantee these estimates, and I do not think the Air Force or the Defense Department should try to, but something has to be used. On those 1968 dollars, the estimate they make for approximately 240 aircraft, with the initial spares, the technical data, and the support equipment, runs from $6.8 billion to $7.2 billion. Those are 1968 estimates. That does not count inflation spreads and other unknowns.

We are trying to get at this matter to give some idea, and we have added 10 years of operation and maintenance. That really does not go to the vital part. The question is, Do we need the weapon, and what is it going to cost? The figure for 10 years of operation and maintenance is $3.3 billion to $3.5 billion. That makes their total top figure $12.6 billion. I think it probably would run more than that, and it might be 20 or 25 percent more. We might as well be frank about it. Everything is costing more. I hope we can stop the spiraling inflation, but I do not think we will do much more than just stop it. I do not believe we are going to have deflation. It is not very healthful politically for those who are in office. That is one reason. It is not healthful for those who have jobs and who have bought many things on the installment plan and have other debts. I do not think we will have extreme deflation. In fact, we do not want extreme deflation.

Those figures are a beginning of some estimates that do not pretend to figure in the inflation rate. We know that since 1963 the inflation rates have been running from 3 to 4 percent every year. We know the price of it, the penalty of it. Of course, the estimates are not 6 years old, but at that rate inflation has run things up 24 percent in those 6 years.

At any rate, it will be an expensive weapon, and I think that all weapons will be expensive hereafter, for the reasons I have given. In addition, they require more and more electronics; they are required to do more and more things. They have to take advantage of the technology that is available in order to be a modern weapon. So the prices will go up on all weapons. That is why I say we have to reduce our manpower and the operation and maintenance of our military

program before we are really going to get to the objective reductions that count.

What is the need for the AMSA? The need for the AMSA is based upon the old idea of needing a mixed force of deterrents. Our bombers, the B–52's, will wear out eventually. A great many of them are on the edge of that now, and the advanced models will be used up and burned out by 1975, 1976, 1977. If we are going to have any available at all, we will have to build more.

So this is a hedge against a breakthrough of some kind by a possible adversary, a breakthrough that would excel us, or a breakthrough in some way against our missiles; and it is an alternative to have in case the missiles show an unexpected high rate of nonoperation or nonresponse.

If we want to continue this multiple force, this multiple deterrent, and not continue to put all our eggs in one basket, we must be on our way toward making that preparation, and this is the issue.

I always think of a manned bomber that is not limited to nuclear weapons. It can carry other weapons, as has been done so effectively during the war that continues in Vietnam. Regardless of what we think about it as a policy, it is continuing today. Last week there were headlines about the B–52's. We stopped them for a while, but we started them again. My point is that we must need them or we would not be using them so much. And they are going to be gone.

I like to think, too, that should there be a threat or should we be on the verge of a nuclear war, if we do have some bombers to use as our first line of protection—our first line of fire, if necessary—it is a weapon that can be recalled after having gone a long way on its mission and hours of time have elapsed.

It is a weapon that can be recalled, and it may prove to be the most valuable weapon we can have under those circumstances.

So, Mr. President, I am delighted that the Senator from South Dakota and his colleagues have debated this matter. I have presented the so-called "other" side and have pointed out the problems in connection with this weapon, as there are problems in connection with every weapon. But I have no doubt that when we get down to the fundamentals, we had better go on—like it or not, we had better go on—and start now, and not delay indefinitely, the basic work on another bomber, which I believe to be a major phase of our best insurance against actually having to use any of them.

Mr. President, with that explanation, I am glad to yield the floor.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Nevada (Mr. CANNON).

Mr. CANNON. Mr. President, for several years I have supported the development of an advanced manned strategic aircraft—AMSA. I would like to discuss briefly, Mr. President, why I believe the AMSA is required.

The primary purpose of our strategic forces is to prevent nuclear war.

Let us be very clear what this means. If we are attacked, it is likely that over half of our people will be killed and most of our cities will be destroyed. We would not have to worry about the unemployed. They will no longer be with us.

Those who feel that we can adopt a minimal level of defense and still avoid attack should look at history. Weakness has always invited aggression. In fact, aggressors have often used an imagined inferiority on the part of an opponent as a reason for going to war.

There must be no doubt at all in any aggressor's mind about our capability to withstand an attack and still strike back. Otherwise an aggressor may conclude that he can attack us successfully while absorbing what he feels are an acceptable number of casualties in return. He must be made to realize that he would have a very high and unacceptable level of casualties inflicted on him if he were to start a war. This, in turn, will stop him, or as we say deter him, from starting a war.

Bombers had the total responsibility for preventing war throughout the 1950's. As land and sea-based missiles entered the force the question was raised: Why should we buy a new bomber that might be caught on the ground or could be destroyed by antiaircraft missiles, when the missile is safe in its silo or under the sea and travels too fast for defenses?

Both the bomber and the missile can be destroyed on the ground and some of both could be intercepted in flight. There is no foolproof deterrent. We must take the necessary actions to help both bomber and missiles penetrate the enemy defenses and destroy the target, if necessary.

The Soviet Union is engaged in a tremendous buildup of strategic forces. They now are approximately equal and will soon surpass us in numbers of ICBMs. They are still building large numbers of both land-based missiles and ballistic missile submarines.

I believe it is essential to maintain a strategic deterrence posture with a mixture of all three elements of our strategic force—bombers, land-based missiles, and sea-based missiles. This has been our official policy as stated by the Department of Defense for several years and I thoroughly agree with it.

It has not been and should not be our national policy to do away with our bomber force. Of equal importance, we should not trade them off for missiles in order to depend upon a single weapon system for our strategic deterrent. To do so would be a high risk approach. It would allow an enemy to focus his resources against our missile systems.

The missile and bomber forces complement each other in providing us with both an effective deterrent force and a tremendous war fighting capability.

This mixed force insures that technical advances on the part of the enemy against one element of our forces will not negate our entire strategic deterrent forces.

Large, high performance bombers can and have provided necessary augmentation of our general purpose forces in nonnuclear conflicts. The contribution of our B–52s in South Vietnam has been of tremendous value. I feel that all Members should recognize this vital role of our B–52's. It is often overlooked or minimized.

The purpose of the AMSA is to replace our aging force of B–52's with an improved bomber that will be more effective and economical in operation. Design of the AMSA will take advantage of the many advances that have been made in airframe and engine technology during the past few years. As compared to the B–52, the AMSA will have a higher penetration speed, reduced radar cross section, a larger payload capacity, the capability to penetrate at lower flight altitudes, and the shorter take-off and landing distance and other characteristics necessary to operate from austere dispersed air bases throughout the country. Moreover, improvements in avionics—better electronic countermeasures, target finding systems, and weapons delivery systems—will further improve the capability of the AMSA to survive and penetrate to enemy targets in all types of wars, both nuclear, and nonnuclear.

The AMSA will be an economical replacement for the aircraft currently in our strategic bomber forces because a smaller AMSA force can be deployed that will provide the same effectiveness for retaliation as our present larger force does because of the larger payload capability and improved penetration characteristics of the advanced bomber.

Any cost estimate for AMSA at this time can only be an educated guess. The cost figures will be greatly refined before we commit ourselves to production. The best estimate at this time, based on a force of between 200 and 300 aircraft, is about $25 to $30 million a copy. However, more precise cost data will be available as engineering development progresses. We have made too many ill-informed guesses on other programs in the past—not intentionally, but because at an early stage of any large complicated weapons program bad guesses always result in great criticism later on when more cost visibility is available. But that does not mean we should stop an essential program because dedicated people are not gifted with foretelling the future.

HISTORY OF THE PROGRAM

During the past several years OSD and the Air Force have thoroughly studied the requirement for an advanced bomber as a replacement for the B–52 in the post-1975 time period. The operational concept and the design and performance specifications have been refined and re-examined in depth on numerous occasions since 1964. Over $140 million has been devoted to system design studies and advanced development in propulsion and avionics, of which $30 million was authorized for the AMSA program in fiscal year 1969. However, only $5 million was new obligational authority and $25 million was a carryover from 1967–68 funds. The Air Force only received approval to spend $25 of the $30 million; hence, there is a $5 million carryover to fiscal year 1970. As a result the technical uncertainties and risk associated with the development of

a new bomber have been reduced to a minimum.

The Air Force has attempted each year since fiscal 1965 to initiate engineering development for the AMSA. The JCS strongly support AMSA development in order to satisfy the force structure requirement from 1975 to 1980 and beyond. Congress so far has supported AMSA development. It has appropriated funds each year specifically for AMSA development. Recently in November 1968 the Secretary of Defense approved a program for a competitive design development effort. Since adequate paper studies have been conducted, it was decided to reduce the competitive design phase and initiate the engineering development this year. We will save about $350 million in R. & D. costs by shortening the competitive design phase; and in addition we will be able to make an earlier decision on whether we should initiate production. Most importantly we would be able to achieve an earlier operational capability.

REDUCTIONS OF FB–111 PROGRAM AND MONEY SAVED THEREBY

In November 1968 the Defense Department made a decision to reduce the FB–111 program from 263 to 126 aircraft, based on budgetary considerations.

Secretary Laird reduced the force from 126 to 76 FB–111 aircraft in early 1969, in order to concentrate on AMSA.

The savings resulting from reducing from 126 to 76 FB–111's is $444 million—$150 million in fiscal year 1969 and $294 million in fiscal year 1970. The cost implications of reducing from 263 to 76 FB–111's represents the saving of approximately $1.2 billion.

General McConnell, testifying on June 26, 1969, said:

I recommend the cancellation of those FB–111's. We had bought 76 of them. Then they promised us we could go ahead with AMSA, and I didn't see any sense in buying a mediocre airplane to last us for a period of time until we could get the AMSA, so I recommended that we cut back to where we don't buy more FB–111's, except the ones we have already paid for, which is 76. That is equal to one wing of FB–111 bombers.

Secretary Laird testified on March 19, 1969, before the Senate Armed Services Committee, and said:

Now after a very careful review of the program, we have decided to cut off the FB–111 program at 4 squadrons (to salvage what we can of the work in process) and concentrate our efforts on the development of a new strategic bomber, ASMA.

I point this out, Mr. President, to show clearly that it has been represented by the Secretary of Defense, and by the Air Force, that they are now giving up the FB–111's in order to secure a speeded-up program on the AMSA. By giving up the FB–111's from the 120 figure down to the 76 figure, we will save, in that program alone, $444 million by doing it on consideration that we should have a stepped-up AMSA program.

BOMBER FORCE MODERNIZATION

The Air Force has spent a great deal of time and effort in preparing an orderly low-risk development program. It will lead to the first flight of a test aircraft in 1973.

I want to emphasize that no production commitment on the part of the Government is currently proposed. If a production decision is made 2 to 3 years from now we could achieve an initial operational capability in fiscal 1977. By that time the B–52's will be 15 to 20 years old. The best B–52, the "H" model, represents the maximum growth economically attainable within the constraints of the basic B–52 design. It would be tremendously expensive to make the B–52 faster, carry more payload, fly lower, or have a smaller radar cross section. We have reached the point where a sounder investment is to acquire a new bomber rather than to keep modifying the old. Additionally, certain improvements such as providing the B–52 self-sufficiency for wide dispersal would involve exorbitant costs and excessive force downtime.

We cannot predict, as well as we would like, how aircraft structure will respond to many years of combat maneuvers. By the time we acquire the AMSA, the B–52's will have spent a large part of the time operating in a low altitude flight environment for which they were not initially designed. This increases the possibility of structural problems. If and when a major structural fatigue in the B–52 force is detected, it may be too late to produce a timely replacement aircraft. Also there are large uncertainties in the magnitude of the costs that may be required to keep old systems working.

IMPACT OF AMENDMENT

The amendment proposes to reduce the AMSA funding for fiscal 1970 from $95 million to $20 million—does not include $5 million authorized in fiscal year 1969. I want to emphasize that if this amendment were adopted, the Air Force would be confined to conducting further paper studies. Engineering development, which is the next essential step in development, could not be started with these limited funds. In the event funds are not provided to initiate engineering development in fiscal 1970, the introduction of a new bomber into the inventory would be delayed at least 1 year. If we maintain a 20 million expenditure level on the AMSA until a serious weakness developed in our strategic forces, we would still be 7 to 8 years away from having operational new bombers. If we make no major improvements in our bomber force, we would have a significant period of time in which we would have to depend on missiles alone. I do not feel that we can afford to adopt such a high-risk, missiles—only national defense policy.

In conclusion, I want to emphasize that the proposed AMSA program will maintain a production option. It does not seek approval of a production decision. The proposed program reduces the time required to achieve an initial operational capability should it be necessary to go into production. The continued postponement of adequate funds to initiate the required engineering development program increases the risk that the United States will not be in a position to produce and deploy a new bomber when the B–52 reaches an unacceptable level of obsolescence.

Mr. President, General McConnell, testifying before the Senate Committee on Armed Services, on April 16, 1969, said:

We will begin to modernize our bomber force this year by introducing the FB–111, and the phase in of this new interim medium bomber is planned to be completed by the end of Fiscal Year 1971. However, a recent decision has lowered the procurement rate and reduced total procurement from the original 263 to 76 aircraft.

We believe that a new bomber is required to accomplish the strategic tasks of the future and we are very pleased with the recent decision to proceed with full-scale engineering development of the Advanced Manned Strategic Aircraft (AMSA). Our assessment of the tasks assigned to the bomber force, and the capabilities required, indicates that we must continue advanced bomber development in order to maintain a deployment option in the late 1970s.

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

The PRESIDING OFFICER (Mr. MATHIAS in the chair). 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.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. KENNEDY. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate adjourn until 11 a.m. tomorrow.

The motion was agreed to; and (at 3 o'clock and 41 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, September 16, 1969, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 15, 1969:

DIPLOMATIC AND FOREIGN SERVICE

John P. Humes, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Austria.

U.S. DISTRICT JUDGE

Barrington D. Parker, of the District of Columbia, to be U.S. district judge for the District of Columbia vice Joseph C. McGarraghy, retired.

IN THE NAVY

The following-named women officers of the U.S. Navy for permanent promotion to the grade of commander in the line, subject to qualification therefor as provided by law:

Bradford, Alice V.	Mandt, Maxine A.
Brooks, Irma J.	McCue, Barbara A.
Denton, Nancy L.	McQuesten, Ruth B.
Donovan, Patricia R.	Neely, Jean C.
Hartington, Pauline M.	Quigley, Robin L. C.
Hoy, Barbara J.	Way, Evelyn D.
Hunn, Eleanor K.	Williamson, Mary L.
Labonte, Nadene B.	Young, Sue E.

The following-named officers of the U.S. Navy for temporary promotion to the grade of commander in the Medical Corps, subject to qualification therefor as provided by law:

O'Sullivan, Michael J., Jr.
Sechler, Leslie I.

Lt. Richard G. Simms, U.S. Navy, for temporary promotion to the grade of lieutenant in the line, subject to qualification therefor as provided by law.

Lt. Gary L. Parten, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law.

The following-named officers of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps of the U.S. Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant:

Brush, James D., II
Ise, William H.
Rapp, Michael D.
Reed, Robert F.
Walker, John A.

The following-named officers of the Supply Corps, U.S. Navy, for transfer to and appointment in the Judge Advocate General's Corps of the U.S. Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant:

Granahan, Thomas F.
Neutzet, Dennis R.

David F. Leake, U.S. Navy for transfer to and appointment in the Civil Engineer Corps of the U.S. Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant.

Robert E. Every, U.S. Navy for transfer to and appointment in the Supply Corps of the U.S. Navy in the permanent grade of ensign.

The following-named (Naval Reserve Officers) to be permanent lieutenants in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

Bauman, John C.
Gustafson, Duane O.

The following-named (Naval Reserve Officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to qualification therefor as provided by law:

Bosley, James E.
Fisk, Bruce D.
Maddox, James A.
Marini, Ronald M.
Tidwell, Eddy

The following-named chief warrant officers to be ensigns in the Navy, limited duty only, for temporary service in the classification indicated and as permanent warrants and/or permanent and temporary warrants subject to qualification therefor as provided by law:

ELECTRONICS

Sears, James A.

COMMUNICATIONS

Flanders, Mack H.

EXTENSIONS OF REMARKS

YOUTH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 15, 1969

Mr. MICHEL. Mr. Speaker, an article appearing in September 5 edition of Time magazine sets forth some very interesting and thought provoking theories expressed by a prominent psychoanalyst, Prof. Bruno Bettelheim, of the University of Chicago, regarding some of the underlying causes of the unrest which has featured college campus life all over the country in recent months.

The professor rather effectively debunks the arguments of the apologists for this type of behavior by our young people on the campuses and I believe his analysis of the situation makes a good deal more sense than most of the "gobbledy-gook" we have heard and read on the subject.

I include the article from Time magazine in the RECORD at this point:

YOUTH

CONFUSED PARENTS, CONFUSED KIDS

Psychoanalyst Bruno Bettelheim, 66, who is best known for his innovative studies of children's emotional development, has turned his protean mind to student radicals. He sees some in his private therapeutic practice, and observes others on the campus of the University of Chicago, where he teaches and directs the Sonia Shankman School for psychotic children. His considered conclusion is that American parents and American society have not given today's youth the emotional equipment for engaging in rational and constructive protest. In the September issue of the British magazine *Encounter*, Bettelheim spells out his ideas, which have been raising controversy at academic conferences and press conferences for the past six months. Among them:

"When I see some of these students—'unwashed' and 'unkempt'—I cannot help thinking: 'There goes another youngster who, as an infant, was practically scrubbed out of existence by his parents in the name of good hygiene and loving care.' "

"In most of the small group of leaders of the radical left, intellect was developed at much too early an age, and at the expense of their emotional development. Although exceedingly bright, some remained emotionally fixated at the age of the temper tantrum."

"The political content of student revolt is most of all a desperate wish that the parent should have been strong in the convictions that motivate his actions. This is why so many of our radical students embrace Maoism, why they chant 'Ho Ho Ho Chi Minh' in their demonstrations. They chant of strong fathers with strong convictions."

"We should not overlook the symbolic meaning of the student invasions of the office of the president or dean. Big in size and age, those who sit in feel like little boys with a need to 'play big' by sitting in Papa's big chair."

SELF-HATE

Bettelheim devotes his most careful scrutiny to the activities of the most radical student leaders, and blames their shrillness on parents who raised them with half-baked psychoanalytic theories. "Psychoanalysis has certainly suggested that we should not suppress our inner rages but should face them," Bettelheim writes. "But we were only expected to face them in thought, and only in the safely structured treatment situation. This has been misapplied by large numbers of the educated middle classes to mean that aggression should always be expressed, and not just in thought. Accordingly, many children today do not learn to repress aggression enough."

Yet the same overpermissive parents more often than not make irrational demands for high marks in school and insist on superhygienic cleanliness so that their children reflect well on them in public. Such families, says Bettelheim, exploit their children to fulfill their own "narcissistic needs"; they choose to follow Freud where it suits their convenience, and are as demanding of conformity as "the worst Victorian parent" where it does not. For the children, Bettelheim says, the result has been a "senseless" uncertainty about their own identities that turns to self-hate and later to resentment of the world at large.

The claim by radicals that they act out of high motives, Bettelheim believes, and "their occasional on-target attack on real evils have misled many well-meaning people into overlooking their true motif: this is hate, not desire for a better world."

Bettelheim blames the malaise of the majority of student rebels on another oversimplified idea: the national insistence on putting high school graduates indiscriminately into the isolated academic atmosphere of traditional colleges and universities. Students feel "obsolete," he says, because "society keeps the next generation too long in a state of dependence, too long in terms of a sense of place that one has personally striven for and won. To be adolescent means that one has reached (and even passed) the age of puberty, but must nevertheless postpone full adulthood till long beyond what any other period in history has ever considered reasonable. Students want, essentially, those group therapeutic experiences that will help them feel they have at long last come of age." Because providing those experiences is not the chief function of most educational institutions, "colleges must inevitably disappoint the students where their greatest need lies. Campus rebellion seems to offer youth a chance to short-cut the time of empty waiting and prove themselves real adults."

Bettelheim does not deny the existence of injustices within U.S. life. But he insists that the underlying causes of campus unrest lie as much in the way American children are raised and educated as in the Vietnamese war or widespread poverty. His advice is for universities to act like firm but understanding parents. While gladly adopting worthy suggestions, administrators should stop being so "anxious to look progressive" that they shrink from upholding the reasoned guidelines that students need to cope with their inner conflicts. For adolescents who lack a commitment to study and research, Bettelheim proposes a new educational system that will cater to the emotional needs of growing up. It would offer a variety of educational apprenticeships combining work and study, and would be ideal, Bettelheim feels, for the majority of American teen-agers.

1969 IS THE YEAR ONE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 15, 1969

Mr. TEAGUE of Texas. Mr. Speaker, an editorial in the August 1969 edition of Industrial Research magazine examines the present and future of our national space effort. Although I do not agree entirely with the comments in this editorial, there is much to be learned from the succinct statement of the benefits and values of our national space effort and what they portend for the future. The editorial follows:

1969 IS THE YEAR ONE

Now that man has landed on another world, scientists, journalists, and historians all will comment on the meaning, significance—and in some quarters—the waste and denial of humanity of the space effort.

It is true that the race to the moon began as a mere prestige gambit and that the Russians and Americans hurried their programs more for this reason than for any other. Yet,