thorization that he be released if he could provide 10 per cent of it in cash. The $500 was posted and he was released.

On Nov. 3, a grand jury indicted Powell and two other men for the shooting of Mr. Gaskins. An arraignment was set, but Powell failed to appear. A warrant was then issued for his arrest.

On Nov. 15, while the arrest warrant was still outstanding, two men apparently attempted to rob William (Spearmint) Smith, 42, in his apartment at 1630 Corcoran St. NW. Mr. Smith exchanged shots with the intruders and one was killed.

Police identified the dead man as James Lee King, 23, and listed his address as 70 Bates St. NW. The other man, they said, was Powell.

District law holds that any person participating in a felony that results in a death may be charged with homicide. It is under this law that police placed the most recent charge against Powell.

SENATE—*Monday, November 24, 1969*

The Senate met at 11 o'clock a.m. and was called to order by Hon. HAROLD E. HUGHES, a Senator from the State of Iowa.

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

O Thou Eternal Father, bring us to the sacred shrine of Thine eternal love, that we may know the peace that passeth understanding. And being at peace with Thee may we pursue peace with our fellow man. We beseech Thee to remove from us and all men the pride, the anger, and the prejudice which breaks the family of man. By Thy reconciling grace bridge the chasm made by fear and resentment. Draw us close to Thee and keep us close to Thee hour by hour. In this time of strife let not the evil we oppose turn us from our purpose to achieve unity and concord within this Nation and among the nations of the earth, to Thy honor and glory. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate.

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 24, 1969.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HAROLD E. HUGHES, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

RICHARD B. RUSSELL,
President pro tempore.

Mr. HUGHES thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, November 21, 1969, be dispensed with.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on November 19, 1969, the President had approved and signed the act (S. 2546) to authorize appropriations during the fiscal year 1970 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces, and to authorize the construction of test facilities at Kwajalein Missile Range, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting 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.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 14580) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Acting President pro tempore:

H.R. 3666. An act to amend section 336(c) of the Immigration and Nationality Act;

H.R. 4284. An act to authorize appropriations to carry out the Standard Reference Data Act;

H.R. 11363. An act to prevent the importation of endangered species of fish or wildlife into the United States; to prevent the interstate shipment of reptiles, amphibians, and other wildlife taken contrary to State law; and for other purposes;

H.R. 13018. An act to authorize certain construction at military installations, and for other purposes;

H.R. 13949. An act to provide certain equipment for use in the offices of Members, officers, and committees of the House of Representatives, and for other purposes;

H.R. 14195. An act to revise the law governing contests of elections of Members of the House of Representatives, and for other purposes; and

S.J. Res. 121. Joint resolution to authorize appropriations for expenses of the National Council on Indian Opportunity.

HOUSE BILL REFERRED

The bill (H.R. 14580) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

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

JIMMIE R. POPE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 545, S. 2566.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 2566) for the relief of Jimmie R. Pope.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

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

S. 2566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jimmie R. Pope, of Goldsboro, North Carolina, the sum of $1,758.14, representing reimbursement for relocation expenses incurred by him in 1967 in moving from Hixon, Tennessee, to Goldsboro, North Carolina, for the purpose of accepting civilian employment at Seymour Johnson Air Force Base, North Carolina, Air Force personnel having erroneously informed the said Jimmie R. Pope that such expenses were reimbursable: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–550), explaining the purposes of the measure.

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

PURPOSE

The purpose of the bill is to authorize the Secretary of the Treasury to pay Jimmie R. Pope of Goldsboro, N.C., the sum of $1,758.14 representing reimbursement for relocation expenses incurred by him in 1967 in moving from Hixson, Tenn., to Goldsboro, N.C., in order to accept civilian employment at Seymour Johnson Air Force Base, N.C.

STATEMENT

This bill is identical to S. 3500 which was introduced in the 90th Congress but no action was taken at that time. The Department of the Air Force recommends that this committee act favorably upon this bill. In the report of the Department of the Air Force to this committee dated June 26, 1969, the Department states:

"On May 4, 1967, Mr. Pope, while working for a private concern, was contacted by a representative of the Civilian personnel office, Seymour Johnson Air Force Base, with an offer of employment as a civil engineer. The civil engineer position is in the category of manpower shortage positions under U.S. Civil Service Commission regulations. As a new appointee to Federal Government service, under those regulations, transportation of the appointee and dependents, per diem en route for the appointee, transportation and up to 60 days temporary storage of household goods not in excess of 11,000 pounds net weight may be authorized at Government expense from the appointee's place of residence to the first duty station. Mr. Pope was advised at the time of initial contact and subsequently on May 15, 1967, that he also was entitled to other relocation allowances, such as a miscellaneous expense allowance in connection with relocation of his household, temporary quarters subsistence expense allowance, and reimbursement for allowable closing costs in connection with the sale of his residence. Travel order SO A–651, May 15, 1967, was issued by the 4th Tactical Fighter Wing, Seymour Johnson Air Force Base authorizing all these allowances.

"Mr. Pope has stated in writing that he accepted the appointment in reliance upon the statements made to him by the civilian personnel office representative at Seymour Johnson Air Force Base and as authorized in the official travel order which he received. Not until after his arrival at Seymour Johnson Air Force Base and submission of a claim voucher on June 19, 1967, was he informed that he had been erroneously advised and illegally authorized relocation allowances that are applicable only in connection with an authorized permanent change of station to another in the United States. The statute and governing regulation do not allow advance house hunting trip expense, miscellaneous expense allowance, temporary quarters subsistence expense allowance, real estate transaction expense or per diem allowance for dependents en route for newly appointed employees.

"Mr. Pope's claim for reimbursement of relocation expenses was disallowed by the General Accounting Office on November 7, 1967.

"The amount of $1,743.48 indicated on line 6 of S. 3500 includes the following claimed expense items:

Miscellaneous expense allowance	$200.00
Temporary quarters expense allowance	99.84
Closing costs, sale of residence	1,443.64
Total	1,743.48

"Except for the miscellaneous expense allowance item of $200 the statutory regulations prescribe specific conditions and limitations and require supporting documentation before a determination can be made as to the extent of allowable reimbursement for temporary quarters, subsistence expenses, and closing costs incurred in connection with a sale of residence property. Accordingly, Mr. Pope was requested to provide proper documentary support for his claim for official review and determination of the reasonableness of amounts claimed, based upon the same conditions, limitations, and documentation requirements prescribed in the regulations governing entitlement to reimbursement for relocation expenses.

"Mr. Pope has submitted documentation for allowable claim amounts as follows:

Miscellaneous expense allowance (no documentation required)	$200.00
Temporary quarters expense allowable (documented in attachment 1)	114.50
Closing costs, sale of residence documented in attachment 2)	1,443.64
Total	1,758.14

"The documented format in support of Mr. Pope's claim for closing costs in connection with the sale of residence has been reviewed by a designated official to determine the reasonableness and propriety of amounts claimed. The necessary administrative approval of the allowable closing costs of $1,443.64 is attached. (Attachment 3.)

"Because Mr. Pope accepted his new position in reliance upon representations that he would be entitled to relocation allowances, the Department of the Air Force interposes no objection to the enactment of S. 3500 in an amount representing authorized reimbursable relocation expenses actually incurred by Mr. Pope in 1967 in moving from Hixson, Tenn., to Goldsboro, N.C.

"The documentation and necessary approvals in Mr. Pope's case would support a claim in the amount of $1,758.14. Accordingly, if your committee acts favorably upon this bill, it is recommended that '$1,758.14' be substituted for '$1,743.48' in line 6 of the bill.

"The committee, after reviewing the facts of this case, concurs in the conclusions of the Department of the Air Force and, accordingly, recommends that favorable consideration be given to S. 2566."

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

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

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

ORDER FOR ADJOURNMENT FROM TUESDAY, NOVEMBER 25 TO 10 A.M., WEDNESDAY, NOVEMBER 26, 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until 10 o'clock Wednesday morning next.

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

PROBABLE ADJOURNMENT FROM WEDNESDAY, NOVEMBER 26, 1969, TO MONDAY, DECEMBER 1, 1969, AT 10 A.M.

Mr. MANSFIELD. Mr. President, I wish to announce that at the conclusion of business on Wednesday, November 26, the Senate expects to stand in adjournment until Monday, December 1, 1969, at 10 a.m.

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

PORNOGRAPHIC MAIL

Mr. MANSFIELD. Mr. President, I would hope that Congress this year would move to curb the dissemination of obscenity. I am cosponsor of both the Bayh and the Dirksen proposals on this matter, and it has come to my attention that the only hearings which have been held thus far on pornography have been held on the House side of the Capitol. No hearings have been held on the Senate side. In fact, two different committees of the House have heard a great deal of testimony on the obscenity problem, while the Senate has failed to consider the matter for even 1 day.

I have received a tremendous amount of mail from Montana on this subject. It is my understanding that over one-half million persons have filed complaints with the Post Office Department over the past 3 fiscal years, and just recently these protests have jumped to a projected rate of nearly a quarter of a million complaints annually. This is the highest number ever received by the Post Office Department since it began keeping track of these complaints.

The American people have a right to expect and to demand that action be taken by the Government to cope with this problem and to prevent this flow of obnoxious mail to their homes. In this respect, I, myself, am considering a proposal that would preclude these panderers of pornography from reaching into the privacy of one's home, and in the next few days will introduce a bill on the subject.

Let me just say that the smut industry is a billion-dollar business and it is growing. This industry is dominated, I am informed, by approximately 15 to 20 large dealers. This industry must be prosecuted; its distribution of obnoxious literature must be stopped, and the time for doing it is long past due. I am, therefore, appealing to the chairman of the Committee on the Judiciary, the senior Senator from Mississippi (Mr. EASTLAND), and the chairman of the appropriate subcommittee, the senior Senator from Connecticut (Mr. DODD), and to every member of that committee, to undertake hearings as expeditiously as possible, to the end that a measure can be reported, brought to the floor of the Senate, and passed at the earliest opportunity. We have dawdled too long in facing up to this issue.

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

Mr. MANSFIELD. I yield.

Mr. STENNIS. Mr. President, I fully endorse every word said and every point made by the majority leader, the Senator from Montana. I especially appreciate the fact that he is going to give this problem his special leadership in pressing for meaningful legislation.

Mr. MANSFIELD. I appreciate the Senator's remarks.

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

Mr. MANSFIELD. I yield.

Mr. GRIFFIN. I wish also to commend the distinguished majority leader for his leadership in dealing with the problem of pornography. As is well known, the administration has put forth proposals and recommendations in this area which are now pending before Congress. My mail indicates that there is great interest and great concern about the subject of pornography.

Accordingly, I am pleased and delighted that the distinguished majority leader is providing this leadership.

Mr. MANSFIELD. Mr. President, I want to extend my thanks to the distinguished Senator from Michigan, the acting Republican leader, as well as to the distinguished Senator from Mississippi.

May I say to the acting Republican leader that I am in full accord with the President's initiative in trying to get measures passed covering pornography and crime. I assure him that I am delighted to make this statement and that I appreciate the bipartisan support which has been shown on the floor this morning.

POLL REVEALS SHARP INCREASE IN SUPPORT FOR PRESIDENT NIXON

Mr. GRIFFIN. Mr. President, recently the New York Times has come under some criticism for its coverage of the news. When some 300 Members of the House of Representatives introduced a resolution backing President Nixon's stand and policies with respect to Vietnam, and when some 60 U.S. Senators introduced a similar resolution, there were some complaints that the New York Times coverage was not all that it might have been. At the same time, there was broad coverage of the recent moratorium activities, particularly the march involving a quarter of a million people in the Nation's Capital not too long ago.

When the New York Times does provide the kind of coverage that is expected of a great newspaper, however, I think we ought to take some note of it. I call attention to the fact that in its issue of this morning, the New York Times reports that President Nixon's popularity with the people has risen sharply, to the point that now 68 percent of the American people believe that President Nixon's handling of the Presidency meets with their approval.

I ask unanimous consent that an article which appeared in this morning's New York Times, entitled "Sharp Nixon Gain Found by Gallup," be printed at this point in the RECORD.

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

SHARP NIXON GAIN FOUND BY GALLUP: PERFORMANCE RATING RISES 12 POINTS IN A POLL TAKEN AT TIME OF WAR PROTEST

PRINCETON, N.J., November 22—The number of Americans who approve of President Nixon's over-all handling of the Presidency rose this month to a new high, according to the Gallup Poll made public today.

The survey was conducted Nov. 14 through Nov. 16, the weekend of massive antiwar demonstrations in Washington. It showed that Mr. Nixon's handling of his job received the approval of 68 percent of the persons polled, a 12-point rise from the previous poll.

Nineteen percent disapproved of his performance, and 13 per cent expressed no opinion.

In polls taken at the same stage of Presidencies in the recent past, the ratings were: Lyndon B. Johnson, 59 per cent; John F. Kennedy, 77 per cent; Dwight D. Eisenhower, 65 per cent, and Harry S. Truman, 75 per cent. A Gallup spokesman cautioned that many factors influenced these figures.

The 68 per cent figure was three percentage points higher than the President's previous Gallup Poll high of 65 per cent approval, which was recorded four times: in mid-March, in middle and in late May and in late July, after Apollo 11.

In the last previous survey conducted Oct. 17 to 20, Mr. Nixon received 56 per cent approval—the lowest approval percentage in the Gallup series on Mr. Nixon's performance.

The latest survey was made not only during the weekend of the nationwide antiwar protests, but also nearly two weeks after the President's Nov. 3 address to the nation, in which he called for support of his Vietnam policies.

The Gallup organization said that comments from persons interviewed indicated that many Americans were convinced by Mr. Nixon's speech that he was striving hard to end the war. The comments also indicate that he had left them with an expectation that he will remove U.S. troops from Vietnam within a reasonable time, the organization said.

It noted that in a September survey, 57 per cent of those interviewed favored a proposal by Senator Charles E. Goodell, New York Republican, that all United States troops be withdrawn from Vietnam by the end of 1970 and that the fighting be turned over to South Vietnamese forces.

1,465 INTERVIEWED

In the latest survey, 1,465 adults in 300 localities across the country were asked the following question:

Do you approve or disapprove of the way Nixon is handling his job as President?

Here is how this question has been answered in the series of Gallup Polls since Mr. Nixon took office last January:

[In percent]

Interviewing dates	Approve	Disapprove	No Opinion
Nov. 14–16	68	19	13
Oct. 17–20	56	29	15
Oct. 3–9	57	24	19
Sept. 19–22	58	23	19
Sept. 12–15	60	24	16
Aug. 15–18	62	20	18
July 26–28	65	17	18
MOON LANDING: JULY 20			
July 11–14	58	22	20
June 20–23	63	16	21
May 23–26	65	12	23
May 16–20	65	12	23
May 2–5	64	14	22
April 11–14	61	11	28
March 28–31	63	10	27
March 14–17	65	9	26
Feb. 21–24	61	6	33
Jan. 23–29	59	5	36
Average	62	16	22

The President's gains between the Oct. 17–20 survey and the latest survey were registered among all major population groups but have been sharpest among men and among residents of the East, the Gallup organization said.

It added that 'key factors' in the President's popularity gain in the latest survey were the Nov. 3 speech and "unfavorable reaction to the recent antiwar demonstrations."

The Gallup organization noted that in a nationwide survey of 500 persons conducted by telephone immediately after the Nov. 3 speech, 77 per cent of those who had heard the speech expressed support of the President's plan for ending the war.

But the Gallup organization cautioned that that survey represented first reactions and the views of only those who had heard the speech.

The Nov. 14–16 survey does not measure public response to three major subsequent events this week: the Senate's rejection of the President's nomination of Judge Clement F. Haynsworth Jr. to the Supreme Court, increasing reports of an alleged massacre of South Vietnamese civilians by American troops and the Apollo 12 moon landing.

HAIL TO THE VICTOR

Mr. GRIFFIN. Mr. President, millions of television viewers, along with a record stadium crowd of 103,588 in Ann Arbor, Saturday witnessed one of the greatest upsets in the annals of collegiate football.

I refer my colleagues, of course, to the tremendous victory of the University of Michigan Wolverines over the Buckeyes of Ohio State, by a score of 24 to 12.

The victory placed both teams atop the Western Conference as cochampions, and left no doubt in anyone's mind that the league's best team—the University of Michigan—will be its representative in the Rose Bowl on New Year's Day.

As most football observers were aware, Ohio State entered the game a two touchdown favorite. Ohio State was riding the crest of a 22-game winning streak and, in the eyes of many, the Buckeyes were unbeatable.

But when the game was over, Ohio State's Coach, Woody Hayes, made this brief but magnanimous statement:

> They outplayed us, outhustled us, and outcoached us.

Mr. President, last week the Senate was informed by the distinguished majority leader (Mr. MANSFIELD) that the University of Montana had finished its football season with a perfect 10–0 record. We heard the distinguished minority leader (Mr. SCOTT) heap praise on the highly successful Penn State football team. So, today, it should not be too surprising if the junior Senator from Michigan should say, "Hail to the victor valiant," and should declare that the No. 1 team in the country, of course, is the University of Michigan.

I am certain that this point of view is shared by millions of other football fans across the land.

Mr. President, I ask unanimous consent to have printed in the RECORD two newspaper articles relating to the game.

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

[From the Washington (D.C.) Post, Nov. 23, 1969]

MICHIGAN CUTS DOWN OHIO STATE, 24–12—WOLVERINES STORM INTO ROSE BOWL—103,588 FANS SEE SIX INTERCEPTIONS DESTROY BUCKEYES

ANN ARBOR, MICH., November 22.—Michigan pulled one of college football's greatest upsets today, stunning top-ranked Ohio State by grabbing a 12-point halftime lead and making it stand up for a 24–12 victory.

The shocking result snapped Ohio State's winning streak at 22 games and sent Michigan into the Rose Bowl, where it has never lost in four appearances.

The Wolverines finished with an 8–2 record and earned a share of the Big 10 title with Ohio State. They intercepted six Ohio State passes and destroyed the image of invincibility that had surrounded the Buckeyes since their Rose Bowl victory over Southern California.

103,588 WATCH UPSET

A crowd of 103,588, largest ever to watch a football game in Michigan, saw the Wolverines take a 7–6 first-quarter lead on a three-yard touchdown run by fullback Garvie Craw and an extra-point kick by Frank Titas. It was the first time this season the Buckeyes had been behind.

Craw scored again, from the one, after Ohio State had regained the lead. An inspired Michigan defense held the Buckeyes and a 60-yard punt return by Barry Pierson set up Michigan's third touchdown, giving the Wolverines a little breathing room.

Pierson ran Mike Sensibaugh's punt to the Ohio State two and three plays later quarterback Don Moorhead went over. Tim Killian's 25-yard field goal closed out the scoring.

Ohio State, after losing the ball on downs at the Michigan 10, charged back to score first on a one-yard plunge by fullback Jim Otis at 7:22 of the opening quarter.

BUCKEYES GIVE UP POINT

The Buckeyes bounced back after Craw's first touchdown, with quarterback Rex Kern firing a 22-yard touchdown pass to Jan White on the first play of the second period. Stan White's extra-point kick was good, but the Buckeyes elected to take a Michigan penalty and try for a two-point conversion. The Michigan defense tackled Kern before he could get a pass off.

Moorhead mixed his plays well and faked brilliantly. He utilized the running of sophomore tailback Billy Taylor and the fine pass catching of tight end Jim Mandich to full advantage.

Taylor set up Michigan's second touchdown with a 28-yard burst to the Ohio State five. Two plays later Craw dove over the goal line from the one and Michigan was ahead to stay.

The Wolverines' defense dominated the second half, stopping both the off-tackle bursts of Otis and the option running of Kern.

Ohio State crossed midfield only twice in the second half and was hard-pressed to keep the score from rising. Titas missed four field-goal tries in the second half and Michigan twice lost the ball on downs deep in Buckeye territory.

Michigan's defensive heroes were Pierson, who intercepted three passes; middle guard Henry Hill, linebacker Marty Huff, tackle Pete Newell and Tom Curtis, who picked off two first-half aerials.

Kern completed only 7 of 18 passes for 86 yards and was pressured into four interceptions, two fewer than he had thrown in eight previous games. The Wolverines also pilfered two tosses by backup quarterback Ron Maciejowski and recovered an Ohio State fumble.

Moorhead completed half of his 20 passes for 106 yards and ran for 73 yards.

Glen (Bo) Schembechler, who spent six seasons with Woody Hayes at Ohio State and is in his first year as Wolverine head coach, as much as told Hayes Michigan was going to run the ball and the Wolverines did. They piled up 266 yards rushings to the Buckeyes' 222.

"I didn't want to go as runnerup," Schembechler said. "But we would have gone to the bowl anyway."

Schembechler said his Wolverine team "kept coming, getting better and believing in themselves. This has to be the high point of my coaching career."

Schembechler expressed shock at the six interceptions.

"You mean we intercepted six passes against Ohio State? I can't believe it," he said.

"We felt from the beginning of the week we were going to win. We said we were going to win and we did," said the man who became only the second coach to go to the Rose Bowl in his first season at a Big 10 school. Fielding H. Yost of Michigan was the first, back in 1901.

Moorhead said the Buckeyes might have been a little flat going into the game.

"I thought they were a little overconfident," the Wolverines' junior signal-caller said after the game. "We heard that out on the West Coast there was talk of getting a petition up to get Ohio State into the Rose Bowl. That kind of made us sick."

"All that talk about Ohio State playing the Minnesota Vikings is a can of worms," said Hill, who led the defensive charge that upset Kern so often.

Hayes, in a terse one-minute visit with, the press, offered:

"Like every good thing, it (the winning streak) had to come to an end. They outplayed us, outhustled us and outcoached us.

"They defensed us too well. And we didn't get the ball to Otis enough. Our offense was miserable the second half."

Statistics

	Ohio State	Michigan
First downs	20	21
Rushing yardage	222	266
Passing yardage		180
Return yardage	64	143
Passes	10–28–6	10–20–1
Punts	3–27	3–42
Fumbles lost	1	0
Yards penalized	5	36

Ohio State	6	6	0	0—12
Michigan	7	17	0	0—24

Ohio State—Otis (1, run); kick failed.

Michigan—Craw (3, run); Titas (kick).

Ohio State—White (22, pass from Kern); run failed.

Michigan—Craw (1, run); Titas (kick).

Michigan—Moorhead (2, run); Titas (kick).

Michigan—Killian (25, field goal).

Attendance—103,588.

[From the New York Times, Nov. 23, 1969]

OHIO STATE IS UPSET BY MICHIGAN, 24 TO 12—PRINCETON STOPS DARTMOUTH FOR IVY TIE—103,588 AT GAME—MICHIGAN GAINS ROSE BOWL AS OHIO STATE STRING ENDS AT 22

(By Neil AMDUR)

ANN ARBOR, MICH., November 22.—In a year of impossible dreams, from the Jets to the Mets to the moon, Michigan upset Ohio State, college football's No. 1 team, 24–12 today and ended the Buckeyes' 22-game winning streak and their chance for a second consecutive national title.

Before a roaring record crowd of 103,588 in Michigan Stadium, the inspired, twice-beaten Wolverines won a share of the Big Ten Conference championship and a post-season trip to the Rose Bowl in Pasadena, Calif.

Big Ten

(Final standing of the teams)

	W.	L.	T.
Michigan	6	1	0
Ohio State	6	1	0
Purdue	5	2	0
Minnesota	4	3	0
Indiana	3	4	0
Iowa	3	4	0
Northwestern	3	4	0
Wisconsin	3	4	0
Michigan State	2	5	0
Illinois	0	7	0

The architect of college football's upset of the year was Glenn (Bo) Schembechler, a 39-year-old coach, in his first season at Michigan. Ironically, Schembechler had spent five years as a graduate assistant and line coach under Woody Hayes, the Ohio State mentor.

After the game, excited Michigan players carried the elated Schembechler across the synthetic Tartan playing surface on their shoulders, while ecstatic students and fans rushed onto the field in scenes reminiscent of Shea Stadium. Fortunately, they had no turf to tear up for treasures.

Ohio State's defeat throws the national championship picture into turmoil, with three major teams still unbeaten, Penn State (9–0), Texas (8–0) and Arkansas (8–0). Texas and Arkansas meet Dec. 6, but a definitive national champion may not be truly determined until after the postseason bowl games are played.

All the scoring came in the first half, as the Wolverines, beaten only by Missouri and Michigan State in 10 games, wiped out deficits of 6–0 and 12–7.

So tenacious and effective was the Michigan secondary and defense in the second half that Ohio State's deepest penetration until the closing minutes was to the Wolverine 44-yeard line.

The Michigan secondary intercepted four passes thrown by Rex Kern, the Buckeyes' junior quarterback and Heisman Trophy candidate. With 6 minutes 55 seconds left in the final quarter, Hayes replaced his frustrated starter with another junior, Ron Maciejowski.

Alas, Maciejowski fared little better throwing two more interceptions, including the third of the game by Barry Pierson, a defensive back.

STRONG RUNNING GAME

Michigan's offense produced what Purdue lacked last week, a strong, controlled running game. With Wolverine interior linemen firing out quickly on the synthetic surface, the backs broke through for 266 yards rushing.

Don Moorhead, an unheralded but highly capable 6-foot-3-inch junior quarterback, carried for 68 yards in 17 keepers, including a 1-yard scoring run.

He also completed 10 of 20 passes for 108 yards. Six of the completions went to Jim Mandich, the 213-pound senior captain and the finest tight end in the country.

Besides Moorhead's touchdown, Garvie Craw scored twice and Tim Killian kicked a 25-yard field goal.

A 15-point favorite, Ohio State had averaged 46 points a game en route to eight impressive victories this year. Last season the Buckeyes beat Michigan, 50–14.

But, as Schembechler said, afterward in a joyous dressing room, "We knew we were going to win from the very beginning."

A FEW WEAKNESSES

If Ohio State had any weaknesses this year, it was with such minute, but still important details as extra-point placements, the lack of a long-ball striking power and the inability to play in a postseason bowl.

Michigan utilized each measure today, particularly in the second half as Pierson, Tom Curtis, the safetyman, and Brian Healy,

another defensive back, guarded the Buckeye pass routes. Healy, a cornerback, shut off Bruce Jankowski, Kern's favorite receiver, without a pass reception.

Ohio State's futility came with 13 minutes left on a fourth down and 1-yard situation at its 42. Instead of turning to Jim Otis, the 214-pound fullback, who gained 144 yards in a dynamic performance, Kern faked to his fullback, kept the ball but was swarmed on by Pete Newell, a defensive tackle, for a 2-yard loss.

WOLVERINES ARE UNDETERRED

Michigan was defiant from the time Ohio State stepped onto the synthetic Tartan turf for pregame warmups. Wolverine students began throwing snowballs at Buckeye players, with Jack Tatum, the all-American defensive back, their prime target.

The Michigan football team, however, had other ideas in mind. Rather than test Tatum's quickness and muscle, the Wolverines ran away from the Buckeye rover and employed this strategy successfully in the first half.

Not even a 6–0 deficit midway through the opening quarter could deter Michigan spirit. The Buckeyes took the lead on Jim Otis's 1-yard scoring drive over left guard with 7:38 left in the period.

Michigan	7	17	0	0—24
Ohio State	6	6	0	0—12

O.S.U.—Otis, 1, run (kick failed).
Mich.—Craw, 3, run (Titas, kick).
O.S.U.—White, 22, pass from Kern (run failed).
Mich.—Craw, 1, run (Titas, kick).
Mich.—Moorhead, 2, run (Titas, kick).
Mich.—FG, Killian, 25.
Attendance—103,588.

Statistics of the game

	Mich.	*O.S.U.*
First downs	21	20
Rushing yardage	266	222
Passing yardage	180	155
Return yardage	143	64
Passes	10–20	10–28
Interceptions by	6	1
Punts	3–42	3–27
Fumbles lost	0	1
Yards penalized	37	5

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED AMENDMENTS TO THE BUDGET, 1970, FOR EXPORT-IMPORT BANK (S. DOC. NO. 91–43)

A communication from the President of the United States, transmitting proposed amendments to the budget for fiscal year 1970, in the amount of $890,338,000, for the Export-Import Bank of the United States (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED COORDINATED NATIONAL BOATING SAFETY PROGRAM

A letter from the Acting Secretary of Transportation, transmitting a draft of proposed legislation to provide for a coordinated boating safety program (with accompanying papers); to the Committee on Commerce.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A petition, signed by Eddie W. Hansen, and sundry other citizens, supporting the nomination of Clement F. Haynsworth, Jr., to be an Associate Justice of the Supreme Court of the United States; ordered to lie on the table.

THE 1969 ATOMIC ENERGY OMNIBUS BILL—REPORT OF JOINT COMMITTEE ON ATOMIC ENERGY (S. REPT. NO. 91–553)

Mr. ANDERSON. Mr. President, from the Joint Committee on Atomic Energy, I report favorably, without amendment, the bill (S. 3169) the 1969 atomic energy omnibus bill. The bill as reported contains the principal features of a bill which Senator PASTORE introduced in the 90th Congress, and reintroduced in this Congress. Among other things, the reported measure would effect necessary amendments to the enforcement chapter of the Atomic Energy Act of 1954 to correct certain constitutional defects pointed up by the U.S. Supreme Court in a 1968 decision involving the Federal Kidnaping Act. The amendments reported by the committee would abolish capital punishment as a penalty under the Atomic Energy Act and substitute life imprisonment as the maximum punishment for violations of the sections of the act involved. The committee's reasons for making this recommendation are more fully explained beginning on page 6 of the report.

The bill as reported contains four principal features. The bill would:

First. Extend for an additional 5-year period, to September 1, 1974, the present authority of the Atomic Energy Commission to compel the licensing of patents found to be "affected with the public interest" in accordance with the Atomic Energy Act. This assures the availability of emerging technology to the nuclear industry, while providing for reasonable royalties to the patent owner.

Second. Increase, from 5 to 10 years, the maximum term of imprisonment which may be imposed for unlawful diversion of special nuclear materials and related offenses where there is no intent to injure the United States or secure an advantage to any foreign country. These fissionable materials are now valuable for industrial and commercial uses and this makes them more marketable than in the past. A stronger deterrent, together with the AEC's comprehensive safeguards and accountability protection, will help assure that these materials stay in the proper channels.

Third. Abolish the death penalty as an available criminal sanction under the Atomic Energy Act and remove the present requirement for a recommendation by the jury as a prerequisite to imposition of the maximum penalty, which penalty under the amendments would be life imprisonment. The requirement for a recommendation by the jury as a precondition to imposing a given punishment has been held unconstitutional by the Supreme Court in connection with similar statutes. A further amendment gives the courts flexibility to pattern the sentence to the particular case and authorizes imprisonment for any term of years or for life. Presently the sections of the act involved authorize, as an alternative to the more extreme penalties, imposition of a prison term of not to exceed 20 years. Thus, under the amendments, a person convicted of a crime committed with the requisite intent could be sentenced to life imprisonment or any term of years short of life imprisonment. A fine of not to exceed $20,000 could be imposed either in lieu of or in addition to a prison term for a fixed term of years.

Fourth. Add a new provision to the Atomic Energy Act authorizing the AEC to impose civil monetary penalties in conjunction with its regulatory functions. Such authority is already vested in other Federal agencies, including the FAA, the FCC, and the FTC, and has proven to be a valuable regulatory toll in protecting the public interest.

Mr. President, I hope that early consideration can be given to this measure by the Senate. I might note that an identical bill, H.R. 14925, has been reported in the other body by the Joint Committee.

The ACTING PRESIDENT pro tempore. The report will be received and printed, and the bill will be placed on the calendar.

ADJUSTMENT OF SALARIES OF JUDGES IN THE GOVERNMENT OF THE DISTRICT OF COLUMBIA—REPORT OF A COMMITTEE (S. REPT. NO. 91–554)

Mr. McGEE, from the Committee on Post Office and Civil Service, reported an original bill (S. 3180) to adjust the salaries of judges in the government of the District of Columbia, and submitted a report thereon, which report was ordered to be printed and the bill was placed on the calendar.

EXECUTIVE REPORTS OF A COMMITTEE

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

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

Stanley B. Miller, of Indiana, to be U.S. attorney for the southern district of Indiana;

Andrew J. F. Peeples, of Florida, to be U.S. marshal for the middle district of Florida;

James W. Traeger, of Indiana, to be U.S. marshal for the northern district of Indiana;

Anthony E. Rozman, of Michigan, to be U.S. marshal for the eastern district of Michigan;

Lloyd H. Grimm, of Nebraska, to be U.S. marshal for the district of Nebraska;

William C. Black, of Texas, to be U.S. marshal for the northern district of Texas;

J. Keith Gary, of Texas, to be U.S. marshal for the eastern district of Texas;

Maurice B. Mitchell, of Colorado, to be a member of the Commission on Civil Rights;

Stephen Horn, of California, to be a member of the Commission on Civil Rights; and

Howard A. Glickstein, of New York, to be Staff Director for the Commission on Civil Rights.

BILLS INTRODUCED OR REPORTED

Bills were introduced or reported, read the first time and, by unanimous con-

sent, the second time, and referred or placed on the calendar, as follows:

By Mr. PERCY (for himself and Mr. SCOTT):

S. 3175. A bill to amend title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice; to the Committee on the Judiciary.

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

By Mr. FONG (for himself and Mr. INOUYE):

S. 3176. A bill to authorize a program for the development of a tuna fishery in the Central and Western Pacific Ocean; to the Committee on Commerce.

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

By Mr. MAGNUSON (by request):

S. 3177. A bill to amend section 1112 of the Merchant Marine Act of 1936; to the Committee on Commerce.

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

By Mr. COOK:

S. 3178. A bill for the relief of Elizabeth Ingram; to the Committee on the Judiciary.

By Mr. BAKER:

S. 3179. A bill to amend the Internal Revenue Code of 1954 to allow a depreciation deduction with respect to the taxpayer's residence; to the Committee on Finance.

By Mr. McGEE:

S. 3180. A bill to adjust the salaries of judges in the Government of the District of Columbia; placed on the calendar.

(See reference to the bill when reported by Mr. McGEE, which appears earlier in the RECORD under the appropriate heading.)

S. 3175—INTRODUCTION OF A BILL ESTABLISHING AN INSTITUTE FOR CONTINUING STUDIES OF JUVENILE JUSTICE

Mr. PERCY. Mr. President, recent FBI crime reports are staggering.

In 1968, there was one murder every 39 minutes; one forcible rape every 17 minutes; one robbery every 2 minutes; and one aggravated assault every 2 minutes.

Between 1960 and 1969, the number of criminal offenses in the United States rose by 122 percent. This is particularly shocking in light of the fact that our population has increased by only 11 percent.

Even more tragic are the statistics which show crime among our young people.

There was a 78-percent increase in the number of juvenile arrests from 1960 to 1968, while the number of individuals in this age group—10 to 17—increased by only 25 percent.

And 72 percent of 18,333 offenders studied under the age of 20 who were released in 1963 were rearrested within 5 years.

Something is obviously wrong when nearly three-fourths of the youth who are arrested and brought into contact with our juvenile court system are rearrested. We are certainly not solving our youth crime problem.

Juvenile delinquency, however, is not a new social problem. What is new—what is encouraging—is a heightened public interest in this problem and the strong emphasis on attempting to save many young people from a life of crime. Nearly 50 percent of those persons arrested for criminal offenses in 1968 were under the age of 18. It is saddening indeed to realize this represents only the beginning of a life at odds with society and the law for most of these individuals.

The Joint Commission on Correctional Manpower and Training pointed out two problems present in attempting to deal with any aspect of the crime problem.

1. Correction today is characterized by an overlapping of jurisdictions, a diversity of philosophies, and a hodge podge of organizational structures which have little contact with one another . . .

2. Lacking consistent guidelines and the means to test program effectiveness, legislators continue to pass laws, executives mandate policies, and both cause large sums of money to be spent on ineffective corrective methods.

The findings of the Commission indicate that what we need if we are to achieve more timely results is a single body—an independent agency—to coordinate activities in the field of juvenile delinquency and better equip those who work with young people to deal with those who have run afoul of the laws. No matter how modest our success, with the skyrocketing crime rate, it would be well worth our cost and effort.

Today I am introducing S. 3175 along with Senator SCOTT. Congressmen TOM RAILSBACK, PETE BIESTER, and ABNER MIKVA are introducing a bipartisan companion bill this afternoon in the House. I am hopeful others will also cosponsor the bill.

This legislation would amend title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice. The main purposes of the Institute will be to serve as a coordinating center for the collection and dissemination of information in the field of juvenile delinquency and control, and as a training center for representatives of all levels of government who are connected with the treatment and control of juvenile offenders.

This Institute shall be under the supervision of a director appointed by the President by and with the advice and consent of the Senate, who will supervise the staff, faculty, and administrative personnel necessary to the Institute's functioning.

Although the Institute will work closely with such departments as the Departments of Justice and Health, Education, and Welfare, it will not be responsible to them. Thus, flexibility in philosophy and approach will preside.

I believe that the multidisciplinary approach—correctional, judicial, law enforcement, and welfare—the Institute for Continuing Studies of Juvenile Justice would provide is the most appropriate and effective means to combat an increasingly serious problem of youth crime.

We have already accumulated vast amounts of knowledge concerning juvenile offenders and the offenses they commit, but we simply have not put this information to the best use. It must be supplied to all those concerned with the problem of juvenile delinquency. Furthermore, we must assist in the training of individuals to cope with juvenile offenders.

The bill I am today introducing provides no panaceas to a most complex problem. However, the Institute established would most effectively use resources to combat and control juvenile crime and redirect delinquent elements in the younger generation into purposeful and constructive lives. This is most important for our society as a whole. As the President's Commission on Law Enforcement and the Administration of Justice stated in 1967:

America's best hope for reducing crime is to reduce juvenile delinquency and youth crime.

Mr. President, I ask unanimous consent that the text of the bill together with a section-by-section analysis of the bill be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and section-by-section analysis of the bill will be printed in the RECORD.

The bill (S. 3175) to amend title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice, introduced by Mr. PERCY, for himself and Mr. SCOTT, was received, read twice by its title, and referred to the Committee on the Judiciary, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Part IV of title 18, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 404.—INSTITUTE FOR CONTINUING STUDIES OF JUVENILE JUSTICE

"Sec.
"5041. Establishment; purpose.
"5042. Functions.
"5043. Director and staff.
"5044. Powers.
"5045. Advisory Commission.
"5046. Location; facilities.
"5047. Curriculum.
"5048. Enrollment.

"Sec. 5041. Establishment; purpose.

"There is hereby established an Institute for Continuing Studies of Juvenile Justice (hereinafter referred to as the 'Institute'). It shall be the purpose of the Institute to provide a coordinating center for the collection and the dissemination of useful data regarding the treatment and control of juvenile offenders, and it shall also be the purpose of the Institute to provide training for representatives of Federal, State and local law enforcement officers, juvenile welfare workers, juvenile judges and judicial personnel, probation personnel, correctional personnel, and other persons, including lay personnel, connected with the treatment and control of juvenile offenders.

"Sec. 5042. Functions.

"The Institute is authorized—

"(a) to serve as an information bank by collecting systematically the data obtained from studies and research by public and private agencies on juvenile delinquency, including, but not limited to, programs for prevention of juvenile delinquency, training of youth corrections personnel, and rehabilitation and treatment of juvenile offenders;

"(b) to publish data in forms useful to

individuals, agencies and organizations concerned with juveniles and juvenile offenders;

"(c) to disseminate pertinent data and studies to individuals, agencies and organizations concerned with juveniles and juvenile offenders;

"(d) to devise and conduct in various geographical locations, seminars and workshops providing continuing studies for persons engaged in working directly with juveniles and juvenile offenders;

"(e) to devise and conduct a training program of short-term instruction in the latest proven-effective methods of prevention, control and treatment of juvenile delinquency for law enforcement officers, juvenile welfare workers, juvenile judges and judicial personnel, probation officers, correctional personnel, and other persons, including lay personnel, connected with the treatment and control of juvenile offenders; and

"(f) to develop technical training teams to aid in the development of training programs within the several States and with the State and local agencies which work directly with juveniles and juvenile offenders.

"Sec. 5043. Director and staff

"(a) The Institute shall be under the supervision of an officer to be known as the Director of the Institute who shall be appointed by the President by and with the advice and consent of the Senate, to serve for a term of four years. The Director of the Institute shall receive basic pay at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(b) The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other advisory councils comprised of consultants to guide and advise the Advisory Commission. The Director is authorized to delegate his powers under this Act to such persons as he deems appropriate.

"(c) If the Office of Director is left vacant, by resignation or otherwise, the President shall appoint a successor who shall serve for the unexpired portion of the term of office.

"Sec. 5044. Powers.

"The functions, powers, and duties specified in this Act to be carried out by the Institute shall not be transferred elsewhere or within any Executive Department unless specifically hereafter authorized by the Congress. In addition to the other powers, express and implied, the Institute is authorized—

"(a) to request any Federal department or agency to supply such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information and advice to the Institute;

"(b) to arrange with and reimburse the heads of Federal departments and agencies for the use of personnel or facilities or equipment of such departments and agencies;

"(c) to confer with and avail itself of the cooperation, services, record, and facilities of State, municipal, or other public or private local agencies;

"(d) to enter into contracts with public or private agencies, organizations, or individuals, for the partial performance of any of the functions of the Institute;

"(e) to compensate consultants and members of technical advisory councils who are not in the regular full-time employ of the United States, at a rate to be fixed by the Director of the Institute but not exceeding $75.00 per diem and while away from home, or regular place of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently; and

"(f) to report to the Congress at appropriate intervals on programs which have been implemented with the cooperation of the Institute within and among the several States, and to recommend to the Congress further legislative action which may appear desirable.

"Sec. 5045. Advisory Commission.

"(a) The overall policy and operations of the Institute shall be under the supervision of an Advisory Commission.

"(b) The Advisory Commission shall consist of the Director of the Institute, the Attorney General (or his designee), the Secretary of Health, Education and Welfare (or his designee), the Director of the United States Judicial Center (or his designee), the Director of the National Institute of Mental Health (or his designee), and fourteen persons having training and experience in the area of juvenile delinquency appointed by the President from the following categories:

"(1) Law enforcement officers (two persons),

"(2) Juvenile or family court judges (two persons),

"(3) Probation personnel (two persons),

"(4) Correctional personnel (two persons),

"(5) Representatives of private organizations concerned with juvenile delinquency (four persons), and

"(6) Representatives of State agencies established under the juvenile Delinquency Prevention and Control Act of 1968 or under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (two persons).

"(c) Members of the Advisory Commission shall serve for terms or four years and shall be eligible for reappointment, except that for the first composition of the Commission, one third of the members shall be appointed to one year terms, one third to two year terms, and one third to three year terms, thereafter, each member's term shall be for four years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(d) While performing their duties, members of the Commission shall be reimbursed under Government travel regulations for their expenses, and members who are not employed full-time by the Federal Government shall receive in addition a per diem of $100.00 in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(e) The Director shall act as Chairman of the Advisory Commission. The Commission shall establish its governing rules of procedure.

"Sec. 5046. Location; facilities.

"(a) A suitable location for the Institute shall be selected by the Advisory Commission.

"(b) Following the selection of a location for the Institute, the Director, with the approval of the Advisory Commission, shall:

"(1) acquire such property as has been selected pursuant to subsection (a), and

"(2) make such arrangements as may be necessary or desirable for the construction, equipping, and physical organization of the Institute.

"Sec. 5047. Curriculum.

"The Advisory Commission shall design and supervise a curriculum utilizing a multidisciplinary approach (to include law enforcement, judicial, correctional and welfare as well as probation disciplines) which shall be appropriate to the needs of the Institute's enrollees.

"Sec. 5048. Enrollment.

"(a) Each candiate for admission to the Institute shall apply to the State agency established under the Juvenile Delinquency Prevention and Control Act of 1968 (82 Stat. 462; 42 U.S.C. § 3801 et. seq.) or the State agency established under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (82 Stat. 198; U.S.C. § 3701 et. seq.) in the candidate's State. The State agency or agencies shall select an appropirate number of candidates and forward their applications for admission to the Director of the Institute. The Director shall prescribe the form of all applications for admission to the Institute and shall make the final decision concerning the admission of all students or enrollees.

"(b) While studying at the Institute and while traveling in connection with his study, including authorized field trips, each student or enrollee in the Institute shall be allowed travel expenses and a per diem allowance in the same manner as prescribed for persons employed intermittently in the Government service under section 5703(b) of title 5, United States Code."

SEC. 2. The table of contents to "PART IV.—CORRECTION OF YOUTHFUL OFFENDERS" of title 18, United States Code, is amended by inserting after

"403. Juvenile delinquency_____ 5031"

the following new chapter reference:

"404. Institute for Continuing Studies of Juvenile Justice_____ 5041".

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

The material presented by Mr. PERCY is as follows:

SECTION-BY-SECTION SUMMARY OF BILL TO CREATE AN INSTITUTE FOR CONTINUING STUDIES OF JUVENILE JUSTICE

Amend Part IV of title 18 U.S.C. to add a new chapter 404.

Sec. 5041. Establishment; purpose
Sec. 5042. Functions
Sec. 5043. Director and staff
Sec. 5044. Powers
Sec. 5045. Advisory Commission
Sec. 5046. Location; facilities
Sec. 5047. Curriculum
Sec. 5048. Enrollment

SEC. 5041. Creates the Institute to provide a coordinating center for collecting useful data re the treatment and control of juvenile offenders; and to provide training for individuals in such treatment and control.

SEC. 5042. Authorizes the Institute to:

(a) serve as an information bank by systematic collection of data from all sources re juvenile delinquency.

(b) publish data in useful forms.

(c) disseminate published data to interested persons.

(d) conduct seminars and workshops.

(e) provide short-term training of law enforcement officers, juvenile welfare workers, juvenile judges, probation officers, correctional personnel, and other persons, including lay personnel, connected with the treatment and control of juvenile offenders.

(f) send out training teams to work at State and local levels.

SEC. 5043. Director of the Institute shall be appointed by the President with advice and consent of the Senate.

SEC. 5044. Authorize the Institute to obtain data, personnel, facilities and other cooperation from Governmental agencies and departments (Federal, State and local) as well as from private individuals and agencies.

"403. Juvenile delinquency---------- 5031"

SEC. 5045. Provides for Advisory Commission to set policy and supervise operations of the Institute. The Commission members would consist of:

(a) Director of the Institute

(b) Attorney General (or designee)

(c) Director of U.S. Judicial Center (or designee)

(d) Secretary of Health, Education and Welfare (or designee)

(e) Director of National Institute of Mental Health (or des.)

(f) 14 persons having training and experience in the area of juvenile delinquency, to be appointed by the President from the following categories:

(1) law enforcement officers (two persons)

(2) juvenile judges (two persons)

(3) probation personnel (two persons)

(4) correctional personnel (two persons)

(5) representatives of private organizations concerned with juvenile delinquency (four persons), and

(6) representatives of State agencies established under Juvenile Delinquency Prevention and Control Act or under title I of Omnibus Crime Control and Safe Streets Act of 1968 (two persons).

Commission members would have four year staggered terms.

SEC. 5046. Directs that a suitable location be selected.

SEC. 5047. Requires Advisory Commission to design and supervise a curriculum utilizing a multi-disciplinary approach (to include law enforcement, judicial, probation, correctional, and welfare worker disciplines) appropriate to the needs of the Institute's enrollees.

SEC. 5048. Candidates for admission and enrollment in the Institute shall be nominated by the State agencies or agency established under the Juvenile Delinquency Prevention and Control Act of 1968 or the Omnibus Crime Control and Safe Streets Act of 1968 (title 1) with final decision concerning admission being made by the Institute Director.

RECAPITULATION

Rather than simply further study juvenile delinquency, this bill seeks to establish a clearing house or data bank for all the valuable information presently existing but not in any one convenient or central location—a function which could not be easily fulfilled except at the federal level. The other main purpose is to provide expert "graduate" or "continuing" education and training for those persons who are now working to combat juvenile delinquency at the State and local level.

S. 3176—INTRODUCTION OF A BILL TO AUTHORIZE A TUNA FISHERY DEVELOPMENT PROGRAM IN THE CENTRAL AND WESTERN PACIFIC OCEAN

Mr. FONG. Mr. President, on behalf of myself and my colleague from Hawaii (Mr. INOUYE), I introduce for appropriate reference a bill to authorize a program for the development of a tuna fishery in the central and western Pacific Ocean.

An economic paradox confronts the major Pacific islands under the American flag—the State of Hawaii, the possessions, Guam and American Samoa, and the Trust Territory of the Pacific Islands.

On one hand, these island areas are surrounded by some of the richest tuna-producing seas in the world, and each group is striving actively to broaden its economic base.

Yet, none is able to take full advantage of the tremendous fishery resource, worth many millions of dollars, off their very shores.

The sad fact is that these islands lack the solid body of experience necessary for catching the plentiful but elusive skipjack tuna. New methods of harvesting skipjack must be introduced and extensive tests undertaken to prove their worth.

In Hawaii, at present, the bait fishing method is used for catching skipjack—"aku" in Hawaiian. In this method the crew of a fishing boat must first fish for and catch bait before it proceeds to the tuna fishing ground.

The fishermen spend about 30 to 40 percent of their time fishing for bait when they could be fishing for skipjack. If the necessity of bait fishing could be eliminated as a prerequisite of skipjack fishing, then all other things being equal, fishing time could be increased by 30 percent and the catches would be increased by a like amount.

In addition, studies by the Bureau of Commercial Fisheries, Department of the Interior, have shown that skipjack are caught from only 50 percent of the schools that are fished. The reason why skipjack do not "bite" in half the schools fished is not immediately clear, but if the skipjack could be captured by a method other than one which requires them to bite, then the number of schools from which skipjack are taken would double.

An even more serious handicap in developing the tuna fishery in the central and western Pacific is the outdated method of fishing skipjack by pole and line. This method is both inefficient and unprofitable.

Fishermen using solely the pole-and-line method catch a very small proportion of the fish in the schools they encounter, according to studies of the skipjack schools around Hawaiian waters—the average catch per school for a pole-and-line fishing boat being roughly 2,500 pounds.

Evidently, some other method must be devised to harvest a larger proportion of each school contacted by the fisherman. Otherwise, the steady decline in the number of fishing vessels in the Hawaiian skipjack fleet over the past decade is expected to continue.

What is the solution? In the opinion of authorities in skipjack fishing, the logical solution appears to be netting, using modern purse seiners with a fast-sinking, synthetic purse seine of the kind recently developed by the Bureau of Commerical Fisheries.

Although purse seine methods are being used effectively in the eastern Pacific off Central America, they have not yet been introduced in the central and western Pacific. Because of environmental factors which exist in the eastern Pacific but not elsewhere, the Bureau of Commercial Fisheries believes that extensive field trials are needed to develop techniques suitable for the central and western Pacific.

The bill I am introducing today would authorize the Secretary of the Interior to carry out a 3-year program for the development of the latent tuna resources of the central and western Pacific Ocean, including 2 years of active field work.

The legislation contemplates a cooperative undertaking which would include the State of Hawaii, the government of American Samoa, the office of the High Commissioner of the Trust Territory, the government of Guam, the various segments of the tuna industry, and the Bureau of Commercial Fisheries.

As noted at the outset of my remarks, Hawaii, American Samoa, the Trust Territory, and Guam are all seeking to broaden their economic bases. All have much to gain from the full harvesting of skipjack tuna.

In the case of Hawaii, Government expenditures provide the largest share of Hawaii's income. Hawaii's industrial economy rests on a narrow base—tourism, sugar, miscellaneous manufacturing, and pineapple.

Yet, the immense tuna resource, much of which lies within 1,000 or 2,000 miles of the Hawaiian Islands, lies barely tapped. If it were brought into full production, Hawaii would gain a fifth major industry.

These economic facts are heavily underscored in a report titled "Hawaii and the Sea," completed in September this year by a highly competent study group of professionals for the State of Hawaii.

On the subject of skipjack tuna, the report states:

> The basis of the major fisheries industry in Hawaii is skipjack tuna. The mainland (continental United States) demand for canned tuna from Hawaii, which is skipjack, greatly exceeds the supply.
>
> In the face of this demand, skipjack represents the last great underdeveloped tuna resource in the Pacific Ocean. The Central Pacific and Eastern Pacific probably could yield hundreds of thousands of tons of skipjack every year. Yet the total catch in these areas runs considerably less than 100,000 tons a year. Hawaiian fishermen working out of relatively small boats that seldom venture more than 75 miles from shore, catch only about 5,000 tons a year.

As to the payoff from skipjack tuna, the report adds:

> Skipjack tuna is a high-priced fish worth between $200 and $265 a ton dockside. At today's prices, a catch of only 100,000 tons of skipjack would bring fishermen almost $25 million, and processors almost $65 million. By comparison, the pineapple crop in Hawaii in 1968 was worth slightly more than $40 million, and processed value $133 million.
>
> The problem is that the pole-and-line way of catching skipjack is simply not good enough when volume production is needed.

The cost of the skipjack tuna development proposed in my bill would be $3 million for a 3-year program encompassing Hawaii, American Samoa, Guam, and the Trust Territory. The Bureau of Commercial Fisheries, calculating that each 100,000 tons of skipjack tuna is worth $100 million at the retail level, gives the following projection of the potential return:

> If (tuna) industries yielding even a modest 30,000 tons a year can be established, the payoff in 10 years of operation would be about $100 for each $1 invested in research.

Such are the promising prospects envisioned for the skipjack tuna fishery of the future if the proposed development program is started now. Considerable

information is available on the potentialities of this resource, but new methods of skipjack harvesting must be introduced to replace old, inefficient ways.

My bill would enable exhaustive tests to be conducted with purse seining to demonstrate whether this method can be proven successful. It is legislation urgently needed now.

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

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3176) to authorize a program for the development of a tuna fishery in the Central and Western Pacific Ocean, introduced by Mr. FONG (for himself and Mr. INOUYE), was received, read twice by its title and ordered to be printed in the RECORD, as follows:

S. 3176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central and Western Pacific Tuna Fishery Development Act".

SEC. 2. The Secretary of the Interior is authorized to carry out, directly or by contract, a three-year program for the development of the latent tuna resources of the Central and Western Pacific Ocean. The program shall include but not be limited to tuna exploration and tuna stock assessment, improvement of harvesting techniques, gear development, biological resource monitoring, and an economic evaluation of the potential for a tuna fishery in such area.

SEC. 3. In carrying out the purposes of this Act, the Secretary of the Interior shall consult and cooperate with the State of Hawaii, the Governments of American Samoa and Guam, and the Office of the High Commissioner of the Trust Territory of the Pacific Islands, educational institutions, and the commercial fishing industry.

SEC. 4. The Secretary of the Interior shall submit to the President and the Congress, not later than June 30, 1973, a complete report with respect to his activities pursuant to this Act, the results of such activities, and any recommendations he may have as a result of such activities.

SEC. 5. There is authorized to be appropriated for the period beginning July 1, 1970, and ending June 30, 1973, the sum of $3,000,000 to carry out the purposes of this Act. Sums appropriated pursuant to this section shall remain available until expended.

S. 3177—INTRODUCTION OF A BILL RELATED TO THE VESSEL "KAIULANI"

Mr. MAGNUSON. Mr. President, by request of the National Maritime Historical Society, I introduce, for appropriate reference, a bill to amend section 1112 of the Merchant Marine Act of 1936. In 1967, we enacted Senate Joint Resolution 101, authorizing the Secretary of Commerce to insure any mortgage up to $500,000 made within a 3-year period, for the purpose of restoring and returning to the United States the vessel *Kaiulani*. The *Kaiulani* is the last surviving American-built, square-rigged merchant ship and was presented as a gift to the people of the United States from the people of the Philippines. Ship repair estimates are generally untrustworthy until the ship is actually put into drydock and detailed specifications are made and, since the enactment of Senate Joint Resolution 101, it has become evident that the time and money required to restore and return the *Kaiulani* will exceed what was anticipated. This bill would increase the period within which a mortgage could be guaranteed to 5 years and the amount of the maximum guarantee to $2,000,000. An analysis sponsored by the National Maritime Historical Society and conducted by a market research firm indicates that a mortgage of $2,000,000 at 8 percent interest could be repaid over a 20-year period from museum ship admissions. The Society has compiled detailed cost estimates and believes that this legislation is required if the *Kaiulani* is to be restored and returned to the United States.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3177) to amend section 1112 of the Merchant Marine Act of 1936, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

SENATE CONCURRENT RESOLUTION 48—SUBMITTED RELATING TO ADJOURNMENT FROM NOVEMBER 26 UNTIL DECEMBER 1, 1969

Mr. MANSFIELD submitted a concurrent resolution (S. Con. Res. 48) to adjourn from November 26, 1969, until December 1, 1969, which was considered and agreed to.

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

SENATE RESOLUTION 290—SUBMISSION OF A RESOLUTION RELATING TO SUPPORT OF THE SENATE FOR LAND REFORM IN SOUTH VIETNAM

Mr. MAGNUSON. Mr. President, on behalf of myself and Senators JACKSON, MUSKIE, PACKWOOD, PROXMIRE, PERCY, COOK, and CRANSTON, I submit, for appropriate reference, a resolution expressing the sense of the Senate that the National Assembly of South Vietnam should act expeditiously to enact legislation providing for swift and immediate land reform so that the great mass of South Vietnamese tenant farmers may gain ownership of the lands they till. Such legislation has been introduced in the National Assembly and has not yet been given the force of law. It is my hope that such a land reform program, if enacted in time, will have its impact during the forthcoming grain harvest in the Mekong Delta which will begin in December and continue through February. A major land reform effort can be of substantial assistance in ending the Vietnam conflict at an early date and in saving the lives of those now subject to the perils of warfare.

If the National Assembly of South Vietnam enacts a broad-based land reform program some 7 million South Vietnamese now dependent on tenant farming under almost medieval conditions for their livelihood could receive virtually immediately the ownership of the land upon which they now toil.

It is my purpose in introducing this legislation to clearly indicate the support of the U.S. Senate for this effort. It is my conviction that the South Vietnamese Government must act without delay to implement broad-based land reform if they are to secure the support of their people and if the people are to have confidence in the Government of South Vietnam. This action I believe so necessary is action which an be effectuated only by the people of South Vietnam. The people of the United States have paid dearly in an attempt to secure a greater measure of political freedom for the people of South Vietnam. The Government of South Vietnam must be prepared to take the necessary steps to assure a degree of economic freedom for its citizens as well.

It is impossible to predict with any degree of certainty at this time the form of the land reform legislation which may ultimately be enacted by the National Assembly. What role the National Assembly may invest in such a program for its allies is not clear, but the purpose of this resolution is to indicate clearly to the members of the assembly that the Members of the Senate recommend, urge, and will support effective and meaningful land reform for South Vietnam.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 290), which reads as follows, was referred to the Committee on Foreign Relations:

S. RES. 290

Whereas, most of the cropland in South Vietnam is presently vested in the hands of a privileged few; and

Whereas, the South Vietnamese tenant farmer does not enjoy the privilege of land ownership and the incentives and economic stability derived from such ownership; and,

Whereas, an effective program of land reform would enhance the economic and political security of the vast majority of South Vietnamese people; and

Whereas, the Government of South Vietnam has not succeeded in implementing an effective land reform program; and,

Whereas, implementation of meaningful land reform in South Vietnam would substantially hasten the termination of armed conflict and the tragic loss of life being suffered by all parties in the conflict: Now, therefore, be it

Resolved, That the Senate recommends, urges, and supports the immediate formulation and implementation by the Government of South Vietnam of a broad-based, effective, and equitable land reform program for South Vietnam.

TAX REFORM ACT OF 1969—AMENDMENTS

AMENDMENT NO. 290

Mr. ELLENDER submitted an amendment, intended to be proposed by him, to the committee amendment to the bill (H.R. 13270) to reform the income tax laws, which was ordered to lie on the table and to be printed.

(The remarks of Mr. ELLENDER when he submitted the amendment appear

later in the RECORD under the appropriate heading.)

AMENDMENTS NOS. 291 THROUGH 293

Mr. WILLIAMS of Delaware submitted three amendments, intended to be proposed by him, to the committee amendment to House bill 13270, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 294

Mr. YOUNG of Ohio submitted an amendment, intended to be proposed by him, to the committee amendment to House bill 13270, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 278

Mr. PERCY. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from North Dakota (Mr. BURDICK) be added as a cosponsor of amendment No. 278 to H.R. 1311, the HEW appropriation bill.

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

NOTICE OF PUBLIC HEARINGS ON S. 3106, RIVER BASIN MONETARY AUTHORIZATION

Mr. YOUNG of Ohio. Mr. President, I wish to announce that the Subcommittee on Flood Control-Rivers and Harbors, of the Committee on Public Works will hold a public hearing to consider S. 3106, a bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and other purposes.

The subcommittee will meet at 10 a.m., Wednesday, December 3, 1969, in room 4200, New Senate Office Building. Any Senator or anyone wishing to testify should notify Mr. Joseph F. Van Vladricken, professional staff member, on extension 6176, in order that he might be scheduled as a witness.

NOTICE OF HEARINGS ON THE GOVERNMENT'S MINORITY ENTERPRISE PROGRAM

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Small Business of the Committee on Banking and Currency will hold hearings on the Government's minority enterprise program.

These hearings will begin at 10 a.m. on December 9, 1969, in room 5302 of the New Senate Office Building. Anyone desiring information on these hearings, please contact Mr. Reginald W. Barnes, assistant counsel, Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510, telephone 225–7391.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Harry Connolly, of Oklahoma, to be U.S. marshal for the northern district of Oklahoma for the term of 4 years, vice Doyle W. Foreman.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, December 1, 1969, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

THE 350TH ANNIVERSARY OF THE FIRST OFFICIAL THANKSGIVING IN AMERICA

Mr. BYRD of Virginia. Mr. President, at Berkeley Plantation on the James River in Virginia, a crowd estimated at 5,000 persons yesterday, Sunday, November 23, gathered to commemorate the 350th anniversary of the first official Thanksgiving in America. Berkeley is about 25 miles from Richmond, Virginia's Capital.

The Chief Justice of the United States delivered a brief but moving address. He was introduced by Virginia's Governor Mills E. Godwin, Jr., the Honorable Lewis A. McMurran, Jr., member of the Virginia General Assembly, presided.

The first official Thanksgiving in America took place at Berkeley Plantation, Va., in December 1619. The settlers, a small group of Englishmen under the leadership of John Woodlief, came ashore and gave thanks to God. Captain Woodlief's instructions from those who sped his party from England were:

> Wee ordaine that the day of our ships arrival at the place assigned for plantacon in the land of Virginia shall be yearly and perpetually keept holy as a day of thanksgiving to Almighty God.

At the ceremony yesterday, a Thanksgiving drama depicted the difficult times which faced the early settlers of our Nation.

To me, the drama was inspiring and should cause all of us who saw it to rededicate ourselves to preserving our great Nation which was built with hardship, vision, and idealism.

The Thanksgiving drama was written by Clifford Dowdey and Dr. Welford D. Taylor. Its director was Frank Brooks with Dr. Keith Fowler acting as technical adviser.

Mr. President, I am pleased to salute in the Senate today the officers of the Virginia Thanksgiving Festival Inc. Established in 1958, it is a nonprofit organization composed of religious and civic leaders in Virginia. Its purpose is to focus attention on the first official Thanksgiving in America. This year marks the 350th anniversary of this historic truth.

The officers are as follows:

E. B. Pendleton, Jr., president.

John A. Currie, Wilbur M. Gaunt, Jr., and John T. Hanna, vice presidents.

Randolph W. Nuckols, secretary.

William T. Gordon, treasurer.

Former State Senator John J. Wicker, Jr., general counsel.

Ed P. Phillips, chairman, executive committee.

Mr. President, present yesterday were Members of the Congress from six different States. I do wish all of my colleagues could have been present. The weather was ideal and the occasion heartwarming and inspiring.

I would like to end these remarks, Mr. President, by stating the Thanksgiving prayer delivered by the Reverend Carter H. Harrison in unison with the entire audience. I ask unanimous consent that the Thanksgiving prayer be printed in the RECORD.

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

THANKSGIVING PRAYER

Almighty God, who hast given us this good land for our heritage; We humbly beseech thee that we may always prove ourselves a people mindful of thy favour and glad to do thy will. Bless our land with honourable industry, sound learning, and pure manners. Save us from violence, discord, and confusion; from pride and arrogancy, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. Endue with the spirit of wisdom those to whom in thy Name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to thy law, we may show forth thy praise among the nations of the earth. In the time of prosperity, fill our hearts with thankfulness, and in the day of trouble, suffer not our trust in thee to fail; all which we ask through Jesus Christ our Lord. Amen.

ORDER OF BUSINESS

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE CRISIS IN PUBLIC TRUST

Mr. PERCY. Mr. President, in recent times, we have seen increasingly vociferous criticism of nominees for high office in both the executive and judicial branches of the Federal Government.

Last Friday, by a vote of 55 to 45, the Senate rejected the nomination of Clement F. Haynsworth, Jr. to the Supreme Court. Much of the doubt on the Haynsworth nomination—doubt which finally led me to cast my vote against the nominee—rested upon his apparent insensitivity to ethical issues in financial dealings and the appearance of a conflict between the public interest and his private holdings.

It would be ironic if the ethical searchlight that has just been trained on the Haynsworth nomination were to be put out now that the case is closed. For the doubt in the minds of our citizens—doubt that I think has swelled to the

level of a crisis in public trust—is by no means confined to the judicial and executve branches. Any legislator who reads his mail, knows that Congress is in trouble in the ethics department.

More and more questions are being asked about the legislative conflicts of interest. And so long as legislators continue to vote on matters in which they have a strong personal stake without disclosing that interest, concern will grow among the people and an erosion of confidence will continue in our public institutions.

In "The Republic," Plato suggested that the men who govern should own no property at all. These philosopher-kings were to be paid a fair wage for taking care of "the rest of the city and themselves."

But Plato's contention that politics is a noble profession would today elicit some cynical smiles and raised eyebrows—particularly among our idealistic young people. And not the least cause for cynicism is that in the unplatonic world of American politics, we have not even approached the rigid financial and ethical standards of "The Republic."

The problem does not rest alone with politicians who have been lax in adopting high ethical standards. It is compounded to the extent that some have come to regard politicians by a double standard: A businessman with money is respected; a politician with money is suspect. A businessman who drives a hard bargain is shrewd; a politician who drives a hard bargain is patently a schemer.

And yet as long as Congress fails to put its own house in order, we cannot fairly expect a rising tide of respect for the legislative branch of government.

It was my considered judgment that Judge Haynsworth's record disqualified him for promotion to the Supreme Court. But can we honestly contend that his alleged behavior departed radically from accepted rules of behavior and from ill-defined standards that are now employed in the very body that failed to confirm his nomination?

Should we have a totally different code for judges and administrators than we have for legislators regarding their associations, their commitments, and their obligations?

In seeking confirmation, Judge Haynsworth was obliged to disclose to the Senate Judiciary Committee and, ultimately to the public, his detailed financial history. No such obligation is required today of Senators or of candidates for the Senate. Unfortunately, the zeal of Congress to disclose private holdings and thereby prevent a conflict of interest in the executive and judicial branches does not extend to itself.

To restore confidence and to meet the crisis in public trust, I believe three basic reforms are urgently needed:

First. Legislators, candidates for Federal office and their top aides should be required to make public at appropriate times a detailed statement of their financial affairs.

I have joined Senator CLIFFORD CASE, of New Jersey, and 19 other Senators in sponsoring such legislation. The time has come for the Senate Committee on Rules and Administration to hold full hearings on this legislation and to send out a workable bill to the Senate hopefully providing for uniform disclosure by all candidates as well as incumbents.

Second. Pressures for financial support that arise when men seek to win or to retain public office should be relieved. Incumbents and challengers should not be put into the debt of special interests in order to pay for their political campaigns. There must be full and honest reporting of all campaign contributions. Nor should the seeking of high public office be difficult for men of modest means. In a democracy, fitness to serve and not personal wealth should be the only criteria.

A most severe drain on political budgets occurs through the high cost of purchasing time on television. I have joined Senator JAMES PEARSON, of Kansas, in sponsoring legislation that would help meet the problem through reduced television fees for candidates and incumbents and I will work for its passage in the current Congress.

Third. A Commission on Ethics in Public Life should be appointed by the President. The Commission should consist of members of the executive, judicial, and legislative branches of Government, as well as respected citizens from all walks of life. It should examine most closely the prevailing ethical standards of these three branches of Government and recommend more uniform principles and procedures for adoption.

It should study, for example, whether Members of Congress should be allowed to own television or radio stations, or sit on the boards of banks, mutual funds, or companies that are regulated by the Government or that receive a substantial portion of their profits from Government dealings.

It should also study the entire problem of providing for a legislator's travel and office expenses so that he may properly represent his constituency—whether large or small—without resorting to his private funds or outside contributions.

I do not contend that these steps will by themselves rid us of conflict of interest and bring wrongdoers to bay. But I do maintain that they are necessary to pave the way for the restoration of public trust and uplifting of politics in America to the ancient Greek concept of a "noble profession."

In the coming decade, it should become axiomatic that men who pass laws that govern the lives of other men must disclose their financial affairs to those who elect them. Citizens who seek and who accept the privilege of holding elective office should come to expect that their conduct as it relates to their public trust should be open to inspection by the people. For the seeking and holding of public office must once and for all come to be regarded as a privilege that is granted a candidate or an officeholder and not as right.

We make public the private interest to seek to preserve the public interest. And when these interests are in apparent conflict, the people should know about it and their legislators—as their judges—should disqualify themselves.

I do not contend that a Senator should disqualify himself from drafting a housing bill because he owns a house. But what if he sits on the board of a large construction company that would directly benefit from the passage of this bill?

Mr. President, I do not contend a Senator should disqualify himself from introducing a commodities bill because he owns a farm or a ranch. But what if his agricultural holdings are so extensive that his bill will materially and directly benefit him?

I do not contend that a Senator should disqualify himself from voting on an oil depletion allowance because he heats his house with oil or natural gas. But what if he owns a dozen oil wells?

When I entered public life, I systematically divested my investment portfolio of any securities that might create an apparent conflict of interest. Thus, since I serve on the Senate Banking and Currency Committee, which has the responsibility for approving much of the Nation's banking legislation, I divested myself of any bank stocks.

In the absence of full disclosure rules on legislation, I intend to place my financial affairs in a "blind trust" that will be irrevocable for as long as I remain in public life. This means I will have no control of or knowledge of my holdings. Passage of the disclosure legislation which I advocate would, of course, make public the contents of this "blind" portfolio. I recognize that a "blind trust" may be impractical for many in the Senate. But disclosure legislation for all candidates and incumbents is, of course, still necessary.

It would be wrong in my judgment for the Congress not to come to grips with the crisis in public trust as it applies to itself.

I, for one, am optimistic that reform, while long overdue, is not far away. American political history reveals that at critical moments in our development, we have risen to and responded to the challenge of the times.

Just as the spoils led to an honest civil service, so today's crisis of confidence may lead to a new era of honor in public life. When the Congress acts meaningfully with respect to the ethical standards of its Members and critical employees, we will have even more genuine cause to say that this is a government of laws and not of men.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the order of Friday, the Chair recognizes the Senator from Missouri (Mr. SYMINGTON) for not to exceed 1 hour.

THE PETROCHEMICAL INDUSTRY AND THE U.S. BALANCE OF TRADE

Mr. SYMINGTON. Mr. President, late in 1963, I gave a series of five talks on the Senate floor with respect to the increasingly unfavorable international balance-of-payments problem that was then facing the United States and continues to face us today.

The "basic intent" of these talks was to spotlight the various dilemmas we face in attempting to solve this problem; also to make certain suggestions for their solution.

It is, indeed, disappointing to note that in the 6 intervening years our balance-of-payments problem has worsened; and particularly frustrating that one of the major factors, the trade balance in the private sector, has seriously deteriorated.

Annual trade surpluses of $5 and $6 billion have now diminished to less than $1 billion; and if Government supported exports are subtracted, our true—competitive—surplus is actually several billion dollars in the red.

On January 1, 1968, a balance-of-payments program was announced which emphasized the need to make improvement in tourism, foreign investment, overseas bank lending, and trade balance accounts. Since that time, overall improvements in sectors other than trade have not improved enough; and I believe there should be no further delay, by either the Congress or the administration, in taking every appropriate action to improve our trade balance.

One of the most important things we can do, both for the trade account and the employment picture in this country, is to promote exports; and one way to increase exports is to tailor U.S. export expansion efforts for specific industries which have unusual export capabilities.

Today, I would point to one such specific industry—the petrochemical industry. According to a well-known independent consulting firm, Arthur D. Little, the U.S. petrochemical industry is a $21 billion industry which in 1968 provided a $1.3 billion trade balance surplus for the United States. It is also an industry of large volume products which are in turn used to make hundreds of items sold in both U.S. and foreign markets.

As example, petrochemicals are used to make plastic pharmaceutical bottles, dairy food containers, refrigerator and appliance parts, and luggage and plastic bags; and many more industries are dependent on petrochemicals to make consumer products. But they need their raw material plastics at world competitive prices.

The petrochemical industry uses the latest up-to-date technology in large and efficient chemical plants; and but for the fact that it has a new problem which increases with each passing year, it is an industry which should provide a growing surplus of exports over imports in the years to come.

The cost of raw materials it will need average about 60 percent more than those which are used in competitive foreign plants having similar large and modern facilities. This provides the foreign competitor with an increasingly—in general unbeatable—competitive edge, because the cost of raw materials represents a high proportion of the total cost of petrochemicals.

As a result, with the cost of U.S. petrochemical raw materials escalating in the years to come, U.S. producers will be less able to compete, not only in export markets, but also in domestic markets; and unless the United States takes right and proper steps to assure itself a modern, thriving, and competitive industry, there will be an even faster growth of the petrochemical industry abroad.

The present oil import program limits the importations of foreign crudes. That in turn limits the petrochemical industry to a small percentage of world-priced oil, and a greater percentage of the higher priced U.S. feedstocks.

The oil import control program was fashioned in 1959 so as to assure the United States enough oil exploration to provide reserves guaranteeing adequate internally based oil supplies in time of national emergency.

I do not question this concept but, after study, am convinced that the solutions to the petrochemical industry problem will not endanger the national interest.

It is now clear that the petrochemical industry of this country must be allowed access to raw materials which will put it on an equal footing with foreign competition; that is, access to petroleum foodstocks at world prices. Only in this way can the balance of trade of petrochemicals be maintained or improved.

In addition, this development would also permit long-range planning, and the commitment of capital for new plants to be located in the United States instead of abroad. New Jobs would be created to supply petrochemicals, not only for U.S. markets, but for foreign markets as well.

If the right to purchase world-priced feedstocks is not obtained, then it would appear obvious that the large growth in petrochemical operations will be achieved in other countries because their raw materials will be so much cheaper.

It is encouraging to note that this problem is currently under thorough study by a Cabinet-level committee, a committee chaired by Secretary of Labor Shultz; and we would hope that the report of said committee will include favorable recommendations concerning access to world feedstocks. Then the administration could issue new regulations designed to put the recommendations into effect; or if necessary request the Congress to enact legislation.

I have previously expressed my opinions about this matter in a letter to Secretary Shultz of September 11, 1969, and ask unanimous consent that the letter in question be printed in the RECORD at this point.

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

SEPTEMBER 11, 1969.

Hon. GEORGE P. SCHULTZ,
Chairman, Cabinet Task Force on Oil Import Control, Washington, D.C.

DEAR MR. SECRETARY: May I express to you and the members of the Task Force my own concern, as well as that of a great many of my constituents, about the adverse effect of the Oil Import Program on the domestic petrochemical industry.

The Oil Import Program currently severely limits the ability of our domestic industry to select feedstocks suitable for its manufacturing needs; in fact, for the most part, the industry is limited to the use of natural gas liquids as feedstocks, because these materials are approximately at parity with the feedstocks used by foreign competition. But industry experts forecast a developing supply-price situation on these gas liquids which will make them uneconomic in the not too distant future.

The industry has both the ability and the desire to use heavier petroleum fractions—naptha, gas oil and crude oil—which are the same feedstocks available to its foreign competition. But the Import Program makes these heavy feedstocks produced in the United States approximately 60% more expensive to the domestic petrochemical industry than the prices being paid by foreign competition; and therefore, with feedstock costs the major element of total chemical economics, the domestic petrochemical manufacturer cannot realistically consider use of these heavier materials.

Accordingly, with future supplies of natural gas liquids doubtful, and with the use of heavier alternates economically unfeasible under present regulations, the domestic petrochemical manufacturer is presented with a truly serious dilemma as to how to plan intelligently for the enormous investment required in the construction of future petrochemical facilities; and it is now clear that the forward planning for these types of projects must commence several years in advance of the completion of the facilities.

Unless this can be worked out, it is also clear that the only realistic course of action for the industry at this point is to construct facilities abroad, as you and I know many United States companies are already doing. But that action can only have a most unfavorable long-term effect on our nation's security and well being; viz, its tax base, its balance of payments, and above all its jobs.

The relief sought by the petrochemical manufacturer is so as to be able to obtain the right to import foreign oils for feedstock use; and if such imports are limited only to use in chemical manufacture, that should have a negligible effect on any other aspects of the import program which might be retained.

Access to the same feedstocks being used by foreign competition seems most reasonable and fair. No subsidies or government assistance is requested. No unequal competitive advantages are being sought. All that is asked for is the right to compete on an equal basis with these other countries.

It is for these reasons that we sincerely urge the Task Force to consider this unique situation; and recommend that any modification made to the Oil Import Program be tailored to provide this relief—relief essential to the wellbeing of our petrochemical industry and those it serves.

May I hear from you on this matter.

With assurances of my high regard,

Sincerely yours,

STUART SYMINGTON.

Mr. PERCY. Mr. President, I share the concern of the Senator from Missouri as to the adverse effects of the oil import program on the U.S. petrochemical industry.

The present oil import program, by severely restricting the U.S. petrochemical industry's access to foreign raw materials, unfairly inhibits the industry in four critical respects:

First, it places U.S. petrochemical pro-

ducers at a competitive disadvantage with foreign producers;

Second, it artificially inflates prices of domestic raw materials;

Third, it distorts and limits basic investment decisions of U.S. producers, as to plant design, plant location, manufacturing techniques, and product lines; and

Fourth, it significantly limits the industry's growth potential.

I do not believe that these adverse effects on the petrochemical industry were foreseen or intended when the oil import program was established in 1959. The concern as to a secure supply of energy products bears no reasonable relationship to the nonenergy uses of petroleum by petrochemical manufacturers.

Crude oil prices today are about $1.40 per barrel or 60 percent higher in the United States than elsewhere in the world. Industry experts see a developing and supply-price situation which, by the mid-1970's, will also drive the price of natural gas liquids up to or near the price of domestic crude oil liquids. At that time, both domestic oil and domestic gas feedstocks for U.S. petrochemical production will be uneconomic compared to low-cost foreign oil.

The impact of the foregoing distortions and restrictions are already being felt in the petrochemical industry. Foreign competitors, who enjoy access to plentiful supplies of low-cost crude oil feedstocks, have increased their capacity dramatically in the 10 years the oil import program has been in effect. Their competitive presence, once negligible, is now felt everywhere, not only in traditional U.S. export markets where the U.S. share has steadily decreased, but in the United States itself, where imports of petrochemicals more than tripled between 1964 and 1969.

Faced with this situation, U.S. petrochemical producers will have a difficult time justifying the construction of future plant capacity in this country. Raw material costs—amounting to as much as 50 percent of the production cost of many basic chemicals—are crucial to plant location decisions. It is reasonable to expect that producers will invest and locate on the basis of such costs. The industry must have a sure knowledge now of the availability of feedstocks at competitive prices at the locations being considered for facilities to supply the market of the mid-1970's.

The access to raw materials sought by the petrochemical industry seems to me to be reasonable and fair. It does not ask for any subsidy or other governmental assistance. It does not seek to improve its competitive position at the expense of other manufacturers. It does not make a judgment as to the efficacy of the oil import program as it relates to energy products. All it asks is fair access to the raw materials available to its foreign competitors so that it can manufacture products to compete on the same terms in the United States and world markets. It is hard to imagine why our Government would wish to continue policies which reach any different result.

Access to petrochemical feedstocks for the petrochemical industry will insure the continuing vitality of this important domestic industry. It will mean more capital investment, more jobs for U.S. workers, lower costs to U.S. consumers, and a continuation of a major positive contribution to our balance of payments. Without this access, the result may well be substantial job losses, the movement of facilities to other nations, and a deterioration of our trade balance.

Consequently, I believe a staged program resulting in substantially greater access by the U.S. petrochemical industry to foreign crude oil feedstocks is in the public interest. I urge the granting of such access.

Mr. President, I ask unanimous consent that the remarks of the Senator from New York (Mr. JAVITS) be printed in the RECORD at this point.

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

REMARKS BY SENATOR JACOB K. JAVITS

Mr. JAVITS. Mr. President, I fully share Senator Symington's concern over the effect of our oil import program on our petrochemical industry, particularly as it affects the export capability of this vital sector of our economy. The amounts involved are relatively not great, but the impact of the restrictions on the industry is very great.

The oil import program helps to insure that the petrochemical industry has to pay significantly more for its raw material—crude oil feedstocks—than competing industry in other countries of the world. The net effect of this program as it affects the petrochemical industry is an artificial inflation of the price of domestic raw materials, a distortion of the investment decisions of U.S. producers, limitation of industry growth potential and the placing of U.S. petrochemical producers at a competitive disadvantage with foreign producers.

It would also seem likely that, if the current artificially high prices of crude oil continue, a shift of our petrochemical facilities from the U.S. to other nations could well result in an export of jobs which would further compound the adverse effects of the current program. Indeed, the impact of these economic distortions is already being felt. Foreign competitors, enjoying plentiful supplies of low cost crude oil feedstocks reportedly have increased their capacities dramatically in the last ten years during which the oil-import program was in effect. Their competitive position, once negligible, is now felt not only abroad, but also in the U.S. itself where petrochemical imports have more than tripled since 1964.

My review of this situation as well as that governing the import of heating oil leads me to believe that there is substantial merit in in the suggestion that current restrictions be substantially liberalized.

In the case of New York State, liberalization can be easily accomplished by opening existing pipelines a while longer and allowing additional Canadian crude oil to flow across the border.

Mr. TYDINGS. Mr. President, the oil import program works a hardship on most Americans—and in many ways. All U.S. oonsumers pay a higher price than is necessary for oil products. Thus, there is a heavy burden on those who defend the oil import program to show that this consumer penalty is justified in terms of our national security interests.

Today, we have heard an eloquent description of the serious interference of the oil import program with our trade objectives. The petrochemical industry, one of the largest single contributors to our favorable balance of trade, now faces the loss of U.S. and third-country markets because it is unable to obtain its raw materials at competitive prices. For some unexplainable reason, we have permitted the continuation of a policy which penalizes a major domestic industry without returning any offsetting advantage to the American public. Whatever the justification may be for the continuation of the oil import program itself—and I am dubious as to that justification—there is no excuse for including within the scope of an energy program any restrictions on petroleum feedstocks used for the manufacture of petrochemicals.

It is hard to picture a more ridiculous policy in trade terms. We do not restrict the import of petrochemical products—so our domestic industry faces competition in U.S. markets from foreign producers who can manufacture petrochemicals with low-cost foreign crude oil. Yet we have not even given the U.S. industry the opportunity to compete for these markets on the same footing.

These artificial restrictions on petrochemicals also place a special burden on the people of Maryland. Despite the fine port facilities at Baltimore, no petrochemical producer is likely to locate new plants in Maryland. The reason is that such plants must be located near to the source of raw materials. Unless there is access to foreign feedstocks, this means that plants must remain in the Southwestern States and gulf coast area—close to the oil and natural gas fields which are the only present raw material sources available to the industry.

There simply is no reason for the consumer in Maryland or any other State to be burdened by these artificial barriers. The relocation of petrochemical facilities to the eastern seaboard and other areas would clearly be in the national interest. It would provide better dispersion of critical facilities in time of emergency. It would tend to reduce the price individual consumers pay for petrochemical products. It would permit this important industry to contribute to industrial development of another region of the country.

On every fair policy consideration—trade, balance of payments, consumer prices, industrial development, and national security itself—the petrochemical industry should have quota-free access to feedstocks at world prices. I join my colleagues in urging the Cabinet Task Force on Oil Import Controls to make recommendations which will permit the petrochemical industry this relief it so badly needs.

Mr. HART. Mr. President, the Nation is fortunate that the able senior Senator from Missouri (Mr. SYMINGTON) addresses himself to the problems caused our economy by the oil import quota system. Over the many years of his distinguished career, in private business and public service, Senator SYMINGTON has never hesitated speaking hard truths. And because of his experience and background, his voice commands attention. The Congress and the administration should and will give attention to his remarks today. They bear on one impor-

tant aspect of the oil import quota system, a system which the Senate Antitrust and Monopoly Subcommittee has studied in depth.

On March 11, 1969, the Senate Subcommittee on Antitrust and Monopoly began hearings on governmental intervention in the market mechanism of the petroleum industry. These hearings were prompted by complaints from various industries, trades and regions that the effect of governmental intervention in the petroleum industry, particularly the oil import quota, has had the effect of impairing their ability to compete, which in turn has restricted their natural growth and expansion and resulted in artificially high prices to consumers.

Within 4 months the subcommittee heard from more than 50 informed witnesses, listened to every point of view, examined a wealth of evidence and amassed a record which thus far numbers three volumes of hearings of about 1,000 printed pages. Part 1, which is now available in printed form, consisted of testimony by economists who have specialized in the economics of the petroleum industry. I want to emphasize here that strenuous efforts were made, with limited success, to secure as witnesses economists who have been associated with the major oil companies. Part 2 of the hearings, which will be printed shortly, consisted of a defense of the import quota system by spokesmen for the oil industry. Part 3, which is also at the Government Printing Office, is made up of testimony by representatives of industries, trades and regions who feel that their economic interests have been adversely affected by the quota. The inquiry, it should be emphasized, is continuing and further hearings will be held. The next session will be concerned with the role played by Government agencies involved with the quota.

Among those most seriously threatened by the quota are the large chemical companies. Among the witnesses at the hearings was Mr. Kenneth H. Hannan, vice chairman of the board of Union Carbide. His statement was presented on behalf of nine petrochemical companies, informally referred to as the Chemco Group. They are: Celanese Corp., the Dow Chemical Co., E. I. du Pont de Nemours & Co., Eastman Kodak Co., Monsanto Co., National Distillers & Chemical Corp., Olin Mathieson Chemical Corp., Publicker Industries, Inc., and Union Carbide Corp. During the course of the hearings, Mr. Hannan was asked how many petrochemical facilities did he think would be constructed by the companies in the Chemco Group if they had unlimited access to petrochemical feedstocks. Because of its far-reaching importance I would like to quote his answer which appears at page 1752 of the transcript:

> We are growing at quite a rate. We have in being now some, let us say, 23 billion dollars of plant and equipment. If we grow at ten percent a year, we would be investing about $2½ billion a year. Last year we invested two billion eight. If you use an average of, let us say, $250 million, which is on the high side, for each plant, that is four plants per billion, or ten—the equivalent of ten plants a year. Ten petrochemical complexes a year could be built, or their equivalent in new facilities.

Mr. Hannan stressed that if his industry did not receive relief from the quota, the plants would be built anyway—except that they would be located abroad. This would be a loss to the future industrial capacity of the United States which should be a matter of concern to every Member of this body.

In addition to depriving the country of needed additions to our industrial plant, the import quota has worked serious hardship on important geographic areas, notably New England, the mid-Atlantic region, the South Atlantic States, the Great Lakes area and Hawaii. Since the quotas went into effect, not a single oil refinery or petrochemical plant has been built on the Atlantic seaboard. Indeed, despite the great increase in demand, there are fewer refineries today on the east coast than 10 years ago. New England consumers pay 3 cents more per gallon for home heating oil than do consumers in Montreal, even though the oil is unloaded in Portland, Maine and must be transported by pipeline, under bond, several hundred miles to Montreal. Served by both the St. Lawrence Seaway and the Mississippi River, the vast economic potential of the Great Lakes area for petrochemical and related industries has remained largely untapped. Indeed, because of the high price of feedstock, Dow Chemical has discontinued the production in Michigan of an important plastic material, polyethylene, of which it was the pioneer producer. Consumers in Hawaii pay higher prices than do consumers in west coast cities for petroleum products manufactured in a Hawaiian refinery. Ideally suited in terms of ports, labor supply, and markets, the South Atlantic States have been blocked off completely by the quota from the benefits of the great expansion in the petrochemical industry.

The quota has also worked a serious hardship on small business. At a time when new additions to oil reserves are being made throughout the world, independent enterprises in the United States have to scramble for supplies. Forced to rely for their supplies on those with whom they have to compete, numerous terminal operators, fuel oil dealers and gasoline marketers have fallen by the wayside. In New England alone there are 500 fewer fuel oil dealers today than there were just 6 years ago. In New York City the number of independent fuel oil dealers has declined from 1,179 in 1962 to 730 in 1968. In addition to its other injurious effects the oil import quota is thus strengthening the position of the major oil companies in which has been traditionally thought of as the "natural" area of small business—distribution and marketing.

Ultimately, of course, it is the consumer who must bear the cost of any restriction on competition, and in this case the excessive costs are staggering. In terms of crude oil, estimates have been placed in the RECORD indicating that the excessive charges to American buyers resulting from the import quota range from $4 to $7 billion a year. Allowing for the increased usage of oil during the last decade, this would be a total excessive cost during the 10 years in which the quota has been in existence of $40 to $50 billion. In terms which are more meaningful to the average citizen, the elimination of the quota, according to evidence presented in the hearings, should bring about price reductions of close to 5 cents a gallon for gasoline and 3 to 4 cents per gallon for home heating oil.

The American people would, I am sure, be far more willing to bear these excessive costs if the import control program were accomplishing its stated objectives. But the evidence reveals that it has been a failure. From the standpoint of national security alone, the question can fairly be raised as to whether the country can tolerate continuance of the quota. Instead of enlarging our reserves by stimulating exploration and discovery at home, the evidence reveals that almost coincidental with the imposition of the quota, such indicia of domestic activity as new oil found, number of wells started, and the number of years' supply began to turn downward. Reflecting the dismaying deterioration in our domestic supply situation, there was general agreement among the witnesses, even those from the oil industry, that we cannot meet an expected demand of 18 million barrels a day by 1980 without a substantial increase in imports. If imports are not increased, the only hope of averting a possible disaster is Alaska. But here judgment must be withheld until it can be seen whether the formidable difficulties in production and transportation can be overcome—and at what cost.

Some idea of the gravity of our future supply situation can be gathered from the testimony of Mr. M. A. Wright, chairman of the board, Humble Oil & Refining Co. and vice president of the Standard Oil Co. of New Jersey. Apart from Alaska some 85 percent of our domestic supply, according to Mr. Wright, must come by 1985 from reserves which have not yet been discovered. In the face of the declines in drilling, new oil found, and domestic reserves, I suggest that placing our trust on the possible discovery of reserves of this magnitude is a reckless gamble with our national security.

One reason for pessimism is that, contrary to widespread belief, the independent producers and wildcatters receive only a small portion of the financial benefits arising from the quota system. According to the Bureau of Labor Statistics the retail price of gasoline in major cities throughout the country rose between 1965 and the spring of 1969 by 4 to 5 cents a gallon, exclusive of taxes. During this same period the increase in the price of midcontinent crude, which reflects the price actually received by the independent domestic producer, rose by only one-half cent a gallon.

Anything approaching an adequate solution to these problems must promote competition, bring about lower prices, stimulate domestic discovery and eliminate geographic discrimination. These, it seems to me, are the essential guidelines which should govern the efforts of the Congress and the Cabinet

Task Force in seeking to develop workable solutions.

The simplest approach would be simply to abolish the quota. Unquestionably, competition would be stimulated, prices would fall, and orderly geographic development could resume. But there is at least a question in my mind as to whether this approach would, by itself, provide sufficient stimulus for domestic wildcatting and exploration, as well as the development of our shale oil resources. To provide such incentives, the ending of the quota would probably have to be accompanied by some form of direct rewards to those who actually add to our domestic reserves.

It can be argued that, at least in theory, a solution can be devised within the framework of the quota system. I am willing to be shown. At the very least, however, such a solution would maintain and perhaps reinforce the direct intervention by Government in economic matters—matters which should be the prerogative of private enterprise.

I question, however, whether what should be the objectives of reform can be achieved by simply granting an exemption or so. A cardinal principle of our society is equal treatment under the law. It is not equal treatment to discriminate in favor of this oil product and not others, in favor of this group of oil users and not others, in favor of this community, State, or region and not others similarly situated, and in favor of a particular industry and not the consuming public. Discrimination is an evil which we should seek to avoid not only in our quest for racial justice but in the conduct of our economic affairs as well.

Mr. PROUTY. Mr. President, I can endorse many of the remarks made today concerning the difficult and very real problems which have been created by the oil import program.

I was particularly pleased when President Nixon appointed the special task force for examining this Nation's policy with respect to oil imports. I am sure that each of us have many and varied reasons for the positions we take with respect to this very important matter. My motivation is a simple one. People in my State of Vermont, and for that matter most of the people in New England, find themselves spending exorbitant amounts of money in order to heat their homes. The six-State New England region is the Nation's principal oil heat region depending on that fuel for nearly 75 percent of its total heating needs. Actually, over 80 percent of the 11 million people living in New England depend upon oil burners for heating.

In the artificial economic situation created by the oil import barrier to normal world trade, all Americans pay inflated prices for petroleum products. The citizens of New England pay a special penalty, not only because 80 percent of them depend upon oil burners for heating, but also because of the severity of winter weather. From now through next spring all Vermonters will be reminded of the consequences brought about from the oil import program.

Last Friday the Office of Emergency Preparedness in the Executive Office of the President sent to the Cabinet Task Force on Oil Import Control an estimate of the 1969 total and per capita consumer cost of oil import control on a State basis. For the Nation as a whole, the annual per capita cost of the oil import program is $26.16. However, Mr. President, when we look directly at my State of Vermont, we find the per capita consumer cost is second highest in the Nation. In Vermont, where as I have mentioned most of us depend upon oil heat in order to survive the severe winters, the oil import program represents a per capita consumer cost of $48.98. Is it any wonder then that there has been a public outcry for some sort of relief?

Mr. President, not only are retail prices for home heating oil higher in New England than any other region in the country, but beginning in 1964 we have continually had a problem of tight supply conditions in No. 2 fuel oil on the east coast. In the past many of us have supported hardship claims before the Oil Import Appeals Board, but even this stopgap type of relief only assures a supply while the prices remain high.

I am hopeful that the President's Task Force on the Oil Import Program will recommend changes which will offer relief to the people of New England. There are several courses of action which can be taken to provide such relief. First, the President could amend Proclamation 3279, as amended, so as to provide for the removal effective January 1, 1970, of import restrictions on No. 2 fuel oil to be used as fuel. Precedent for such a course exists in the decontrol of residual fuel oil to be used as fuel which occurred in 1966.

A somewhat less satisfactory alternative, but one which would bring some relief to consumers of fuel oil, is that the oil import program be amended to provide a quota of No. 2 fuel oil for importation into district I, beginning January 1, 1970. At least 100,000 barrels per day should be established for this purpose. Such quota should be allocated among persons who are in the business of selling No. 2 fuel oil in district I and who have had inputs of that product into tanker or barge terminals under their control located in district I. Because primary suppliers and their affiliates have not seen their competitive positions erode by reason of oil import controls, allocations of No. 2 fuel oil should not be made to companies or affiliates of companies already eligible to receive allocations of crude oil or finished products under the mandatory oil import program.

Finally, Mr. President, while I have centered today's appeal on the tremendous hardship faced by the people of Vermont and New England as they face another severe winter, I sincerely hope that the task force will take a serious look at the overall effects of the oil import program. Oftentimes unexpected effects from such programs create unexpected and undesirable side effects. I am reminded, for example, of the situation facing the American domestic manufacturers of petrochemicals. Petroleum products constitute a necessary raw material for all sorts of petrochemical operations from the manufacturers of plastic bags to some types of furniture. Continued imposition of the import control program upon the petrochemical industry can only force prices of petrochemicals produced in this country upward, making them uncompetitive with foreign petrochemical products in the marketplace of the world—including our own domestic marketplace. The inevitable results will be decreased in the amount of petrochemicals exported from this country, an increase in imports, an obvious loss in American trade balance, and the export of American petrochemical investment, jobs, tax dollars, and nationally important productive capacity to overseas locations.

The amount of domestic petroleum production used in the manufacture of petrochemicals is only 5 percent of total petroleum demand. Obviously, a way can be found, within the framework of any oil import program designed to protect the American petroleum producing and refining industry, to allow for the needs of another industry whose needs are only 5 percent of the total domestic petroleum consumption.

Mr. President, we have now entered a phase in our national political life where pragmatism represents the word for the day. I trust that a pragmatic approach toward the solution of the problem created by the oil import program will be forthcoming by the first of the year.

Mr. THURMOND. Mr. President, the American petrochemical industry is facing unnecessary hardship under the current oil import program.

Foreign petrochemical manufacturers have free access to low-cost feedstocks on the world market. American petrochemical manufacturers do not. Meanwhile, the supply of economic domestic feedstocks derived from natural gas is decreasing. The combination of these facts is placing the American petrochemical industry at a serious competitive disadvantage.

Unless this disadvantage is remedied, it will adversely affect our favorable trade balance in petrochemicals. The industry's only realistic course will be to construct its future plants abroad. The United States cannot afford these losses in foreign exchange, investment, and employment.

Members of the petrochemical industry have suggested two modifications of the present oil import program. One would permit free access to petrochemical feedstocks solely for petrochemical use. The other would increase quota rights for companies not able to use importable feedstocks directly. I believe that both of these modifications should be adopted. I also believe that both are necessary to preserve competitive equity within the domestic petrochemical industry.

The amount of foreign petroleum required by the petrochemical industry is relatively minor. The industry itself proposes strict supervision of these import reforms to guard against any adverse effect on the petroleum industry. The impact of these reforms on the petroleum market should be negligible.

Mr. President, I support the right to obtain foreign raw materials used for petrochemical operations by liberalization of import quotas for petrochemical needs with special consideration given in cases where economically depressed areas would be aided and the balance-of-payments problem would be relieved. Further, there should be no restriction on the type of feedstock to be imported nor on the end use so long as it does not directly subvert the objective of the energy program.

OIL IMPORT CONTROL CHANGES NEEDED

Mr. PROXMIRE. Mr. President, this morning's Wall Street Journal carried a story that the President's Task Force on Oil Import Control was contemplating replacing the present outmoded oil import control program with a preferential tariff. I am delighted to see the task force is not being constrained by the same old stale concepts dredged up to maintain high domestic oil prices.

I have long maintained that the present oil import program must be drastically revised. I hope this story is an indication of the task force's willingness to face this need.

Mr. President, I have, in the past, often expressed my belief that the mandatory oil import program should be substantially changed if not abolished within 5 years.

The main reason that most of us separate ourselves from 10-year-old automobiles is that they have become too expensive to operate and too costly and inconvenient to patch up and repair. I submit that our Nation's 10-year-old mandatory oil import program has become far too costly to the average American citizen, and that the program's adverse effect upon the domestic petrochemical industry is just another symptom of a piece of machinery that has been operated too long. Instead of modifying and patching our old oil import program, should we not rather be working toward the goal of freeing all American interests from its expensive restrictions?

Certainly the homeowner in the northern parts of our country, paying ever-rising prices for the fuel oil to warm his house, would agree.

As for the American petrochemical industry, the effect of the oil import program upon it seems potentially at least as costly to the average citizen.

As the Department of Commerce has pointed out in its submission to the President's Task Force on the Oil Import Program, the existing program does not deal adequately with the presently existing disadvantage of the U.S. petrochemical industry—in regard to feedstock costs—in its competition with foreign producers. This disadvantage will become more severe with time and result in increased petrochemical imports into the United States, decreasing petrochemical exports from this country, and the outmigration of at least part of the future additions to this country's petrochemical productive capacity.

It seems especially noteworthy that the Department estimates that the U.S. balance of payments in petrochemicals would suffer by $610 million a year by 1975 if the present controls are retained. Such a shift would be significant not only for the balance of payments, but also for the general health of the industry and its ability to provide employment and income for U.S. citizens.

The hardships which the oil import program is working—or threatens to work—on American interests in general, and on the petrochemical industry in particular, argue persuasively for some very significant changes in the oil import program.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ALBERT COATES: FOUNDER OF THE INSTITUTE OF GOVERNMENT AT THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

Mr. ERVIN. Mr. President, W. C. Burton, one of the staff writers for the Greensboro Daily News of Greensboro, N.C., has written some excellent articles concerning my schoolmate and longtime friend, Albert Coates, professor of law and founder of the Institute of Government at the University of North Carolina, at Chapel Hill. These articles were published in the Greensboro Daily News on November 16, 1969.

I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. ERVIN. In founding the Institute of Government, Albert Coates contradicted the statement of the book of Ecclesiastes that "There is no new thing under the sun."

As one instinctively interested in government affairs, Albert Coates witnessed with consternation the fact that newly elected State, county, and municipal officers and newly appointed State, county, and municipal employees entered upon their offices and employments without any real opportunity to acquire any real knowledge of the duties which their offices and employments required them to perform.

As a consequence, he had a dream and saw a vision. He envisioned an institution which would afford State, county, and municipal officers and employees an opportunity to receive instruction in respect to their duties, and thus enable them to learn by precept, rather than by bitter experience, the responsibilities which their offices and employments imposed upon them.

With the unceasing encouragement of his wife, Gladys Coates, Albert made this dream a reality by establishing the Institute of Government at Chapel Hill, where hundreds and hundreds of State, county, and municipal officers and employees of North Carolina and its political subdivisions have received instruction concerning their duties and the wise ways in which to perform them. As a consequence, it is impossible to overmagnify the contributions which Albert Coates and his dream and vision have made to good government at all levels in North Carolina.

While his old friends love him for what he is, future generations will call him blessed for what he has done.

EXHIBIT 1

ALBERT COATES: SCHOLAR AS DYNAMO

(By W. C. Burton)

CHAPEL HILL.—Albert Coates is a man you walk up to and shake hands with. You stand shoulder to shoulder with him. You walk with him, talking with him and, better still, listening to him talk. You sit across from him, listening, learning and laughing. And you feel a lot better for it.

"Listen here," he says in a voice from which not even Harvard managed to remove the amiable traces of Johnston County. It is his frequent preamble to any remark he might wish to make. It is also a most pleasant invitation.

He is 73 now and retired, after nearly half-a-century of service given to the University of North Carolina, most of it as professor in the Law School. For 30 years he was director of that remarkable and unique teaching institution, the Institute of Government, which he fathered and nursed through early years of economic anemia. Today it is a giant arm of the Greater University of North Carolina.

There are a few changes in the man, but they are superficial. His hair is gray. Wrinkles are inconsequential. They have surrounded his eyes with the creases of merriment for years. For here is a man whose face just naturally crinkled with good nature and sly amusement whenever he looked at the world. And he was ever a sharp observer.

Albert Coates' spirit found the Fountain of Youth long ago. In many places. In his native Johnston County. At Turlington Graded School. At the University of North Carolina and at Harvard University Law School. And back at the Chapel Hill campus where he would forever be at home. The fountain flowed through the early discoveries and experiences which led to the founding of the Institute of Government and through the Institute's years of struggle and growth.

Now in the days of busy retirement that fountain bubbles still. Its waters are composed of a multitude of elements compounded into an ever-stimulating elixir. These elements, though they defy inventory, certainly include humor, concern and love for his fellow tenants on this globe, a certain greatness of heart and energy of mind, canniness, insight, understanding, a wise tolerance coupled with firm values and a blessed curiosity about everything.

In short Albert Coates is a fellow in whom the best juices of humanity course and these are the true fountain of youth. The wide, good-natured mouth still puckers with the same preface to a yarn. The eyes still light up with an inner understanding of life. And they narrow with a far-away look when an idea he's chasing hot-foots it across his mind.

Former students and a host of other friends think Albert Coates is about the best there is. Best except for one person—"Miss Gladys." Gladys Hall Coates. The pretty girl from Portsmouth, Va. whom he married back in 1928.

Her hair is white, and she's still pretty and always will be. She is dainty and feminine but she is also strong. She has not only stood beside him these 42 years, she has walked beside him, trudged beside him, worked beside him and sacrificed with him for all the things they felt were worth fighting for.

So it is right that friends who know them rank them side by side. This pleases Albert Coates—though he thinks she should be ranked a bit ahead of him.

THE HEART'S HOME: CHAPEL HILL—GRASS-ROOTS WIT AND HARVARD POLISH

CHAPEL HILL.—Albert Coates was born August 25, 1896 on a farm in Pleasant Grove Township, Johnston County. The nearest town was Benson. Smithfield lay eight miles to the east. He was the fourth of nine children born to Daniel Miller Coates and Nancy Lassiter Coates.

In 1902 the family moved to a farm on Brogden Road, only two miles out of Smithfield. There Albert grew up in a house which had once been guarded by Confederate troops on order of Governor Zeb Vance. General Wade Hampton had used it for headquarters. So had the officers of General Joseph Wheeler's Cavalry, and General Schofield of Sherman's Army.

Daniel Coates, farmer, miller, sometime sawmill and cotton gin operator, had moved to place his child in a better school. Albert got his first taste of academic learning at Turington Institute at Smithfield, later Turlington Graded School. It was founded and headed by a cousin, Ira Turlington. A gifted teacher and outstanding public school educator, Turlington "taught me what he knew" says Coates and "more than that, he taught me what he was."

Then came Adolph Vermont, a cultivated, traveled Belgian, trained for the priesthood, who succeeded Turlington as superintendent of the school and "brought a new dimension" and sophistication to education and to life in that community.

THE DOORS OPEN

These and other teachers opened doors of literature and life. His parents and other worthies of Johnston County taught him also, self-reliance, rugged individualism combined with the values of teamwork, and a salty, earth-born common sense that enables him to cut through obtuseness and confusion to the core of meaning and order.

To this day he can not abide academic pomposity and double-talk. He is a down-to-brass-tacks man who drew from his upbringing a talent for illuminating a point with homely, and usually humorous anecdotes, figures of speech and yarns, many of them from the folklore of his farmboy days. It has helped him to make him a memorable, cherished and talented teacher. The University at Chapel Hill has been his podium, but Johnston County has remained his touchstone.

From an education grounded in the classics and developed in the rotund language of the law Professor Coates formed his speech style and sweetened it and spiced it with his countryboy background. In cadence and content it is a kind of folk poetry, now melodic, now percussive, now twanging a salty chord. Musically, it is a measure of Mozart, a bit of Bach and a little "Leadbelly."

CUSSING IS "SWEET"

The final flavoring is a sprinkle of pepper. Never a profane man, Albert Coates chooses and uses his expletives with the taste and zeal of a gentleman. Nothing fancy (unless acutely provoked), just a few old-fashioned, rather mild words—for rhythm and counterpoint and zip.

Associate Justice Susie Sharp, a former law student of Professor Coates, says "Albert is the only man I know who can cuss and make it sound sweet."

As he grew up Albert passed from waterboy at six to cotton chopper at 10 and plowman at 12. He walked each school day two miles to Turlington school and two miles back. And he took his first chew of tobacco, using the same method he would have used for chewy candy. "At this point," he says, "I discovered the difference between a swallow and a spit."

The work he liked best on the farm was helping with the sawmill and cotton gin. Albert was handyman or, as he said, "a monkey wrench that fitted any tap." As he tells it "I stayed out of school two years at different intervals working in these enterprises that entered into my education. Meeting all sorts of people from the surrounding territory, hearing their wisecracks, witticisms and comments on their neighbors sprinkled with good-natured profanity and observations that would not ordinarily be made around women, was a seasoning, maturing and toughening experience."

ENTERS UNIVERSITY

In 1913 Albert Coates was graduated from the 11th and final year at Turlington. After a year of banking and sawmill seasoning he entered the University of North Carolina at Chapel Hill in the fall of 1914.

It was a Chapel Hill with an uncrowded campus and quiet streets without auto fumes. Comfortable houses retreated into the cool shade of deep lawns along Franklin Street. It was also a strange and alien place to the boy from Johnston County. Albert Coates had come home and didn't know it.

At the university a new and unsuspected world began to unfold. Great teachers, such as Howard Kidder Graham, also president of the university. Horace Williams, Frank Porter Graham, Edwin Greenlaw, William Stanley (Bully) Bernard, Collier Cobb, Archibald Henderson and Henry Van Peters (Froggy) Wilson were there to turn on the lights in this new world.

Always a good talker (he had won a medal as a "declaimer" at Turlington as early as 1909), Albert dived into university debating at the outset and won honors and medals throughout his student years.

SELF-HELP STUDENT

He had earned money before entering the university at sawmill and at more genteel bank jobs. To augment this he worked in the office of the university's business manager during his freshman and sophomore years. A pressing club improved his junior year budget. In his senior year he earned all his meals as a linen steward in Swain Hall, the university dining room.

He was elected president of his junior class, president of the Philanthropic Library Society (commonly called the "Phi" society), president of the University Athletic Association and president of the North Carolina Club. He was tapped into the coveted Order of the Golden Fleece. In 1918, Albert Coates was graduated, entered the army, became briefly a lieutenant, and returned to civilian life and the university in 1919. Dr. Edwin Greenlaw, dean of the graduate school, had established the university's first teaching fellowships in English and Coates became the first English Fellow.

Sadness shrouded the campus over the recent death of President E. K. Graham. He served on the Graham Memorial Committee (as did his schoolmates Luther Hodges and Theodore Randthaler) and became executive secretary of N.C. alumni groups for the Graham Memorial Building.

HARVARD LAW SCHOOL

By the fall of 1920, his mind firmly fixed on the law, Coates left UNC and entered Harvard Law School (where the professors "write the books that other law professors teach.")

There he was to have three years of inspiring association with and instruction from such men as Dean Roscoe Pound and Felix Frankfurter. His Harvard roommate was another Tar Heel, William T. Polk, the late beloved assocate editor of the Greensboro Daily News.

No one can argue, however, against the statement that his most important Cambridge acquaintance was a young Virginian named William Calvert. Because it was while visiting Calvert in his home at Portsmouth in 1923, that Albert met Gladys Jane Hall, then a student at Randolph-Macon Woman's College at Lynchburg.

Five years later, after she had taught school in Virginia and North Carolina and he had become a full professor of law at Chapel Hill, they were married. The date was June 23, 1928 and it should be in frieze on the face of the new Institute of Government building at Chapel Hill.

In 1923 Coates bore his freshly inscribed Harvard law degree back to his home campus and took a job as an assistant professor of law. Two years later he became an associate professor. Already in process was the self-inquiry that would bring forth the Institute of Government. Yet to come were the trials, tribulations and, at long last, triumphs that attended its birth and growth.

THE INSTITUTE: SERVANT OF THE PEOPLE

CHAPEL HILL.—Popular government is in the hole today. Like the frog in the arithmetic problem (who jumped up three feet and fell back two), it starts out with officers fresh from the people, moves forward with them as they acquire knowledge and skill in the administration of the law, then on subsequent election days drops back to begin again almost at the beginning, with new and inexperienced officers. Thus with every rotation of officers in every general election, the continuity of governmental experience is broken. Accumulated government knowledge goes over the wheel to waste. Government is forever in the hands of beginners—who do not always have beginners luck.

Thus spake Albert Coates, young law professor, with the concept of the Institute of Government burgeoning in his being.

He was increasingly concerned with the idea that elective and appointive government at all levels, municipal to township to county to state to federal, was almost entirely in the hands of untutored amateurs.

He was disturbed by the lack of any systematic coordination or cooperation between these levels and, further, by the conviction that academic instruction in the law, embracing the philosophy of the law and the examples in case books, was not enough.

A fundamental knowledge of Supreme Court decisions would not fully serve his students when they faced the multiple practical everyday problems that would come when they applied their learning to the practice of law. As he said, "They know the words but they don't know the tune."

What is more, the young professor realized that he himself did not "know the tune" and he would have to learn it before he could teach it. With all the spare time he could gather, including his summer vacations, he hired himself out to the practitioners of government in the field.

He worked with police departments, sheriff's departments. He toiled in cubby holes of county offices and in town halls. He helped run down bootleggers and trace down blind tiger stills. He took the witness stand and he took the jury box.

What he learned that wasn't in the sterile text books, and what he learned was yet to be learned, staggered him. He began inviting constables, deputies, patrolmen, city clerks and clerks of court to appear before his law classes as guest teachers.

Tax collectors came to teach the brass tacks of taxes. He began to expand his law courses, criminal, municipal corporation, legislation, and domestic relations to include administration from the grass roots all the way to Washington.

HOW HE LEARNED

"Men who had never seen the inside of college walls," says Coates, "taught me more about the actual processes of public law and

government than I had ever learned in college and law school classrooms."

It was clear, too, that these practicing men of government could be taught many things to their advantage and to the advantage of the public.

Albert Coates invited law enforcement officers, constables and up, from all over the state. He invited F.B.I. and National Police Academy experts in scientific crime detection. These men all got together for a three-day session at Chapel Hill. They traded problems and solutions. Everybody learned.

Other invitations went out to court clerks, firemen, city and county accountants. By 1931 judges, election officials, prosecuting attorneys, city attorneys, coroners, tax officials and other groups had organized. And on May 6, 1932, representatives from all these groups, 300 in number, gathered at Chapel Hill and organized the Institute of Government.

DREAM DRIVES HIM

With Albert Coates as director—sometimes hanging on to his dream for dear life—the Institute of Government grew. He not only had his dream; his dream had him. And it drove him and drove him hard.

Wherever it drove him Gladys Coates went with him, working, encouraging, sticking fast. She had married a man and an institution as well. She was equal to the needs of such demanding if beneficent bigamy.

As a "full-time working partner," Gladys Coates stuffed envelopes, edited manuscripts and proof-read them, devoted herself to long hours of research, put the Institute journal, Popular Government, in the mail and did anything else that came to hand.

The novelist Booth Tarkington marveled at the detachment of the historian, who "sits in his dressing gown" to write "The armies were joined in battle." Any account of the development of the Institute of Government here must seem afflicted with that same unnatural detachment and oversimplification.

PRAISE FROM GREAT

Its fame is now far flung. President Franklin D. Roosevelt gave it high praise and urged other states to follow its example (some have.) In 1937, Dean Roscoe Pound of Harvard Law School, who made a research grant available to Coates for a year of advance study as his Institute duties became more complex, wrote:

"I doubt whether anything which has taken place in connection with American Government in the present century is as significant as the movement for planned, intelligent officials and administrative cooperation which began some years ago in North Carolina and has now taken on enduring form in the Institute of Government."

Says Coates, "Dean Pound was describing the work of Henry Brandis, Dillard Gardner, Buck Grice, Malcolm Seawell, Marion Alexander. Harry McGalliard, Ed Scheidt," pioneer staff workers. And he adds the names of others who followed, men like Terry Sanford, who would become Governor of the State, and Bill Cochrane, who as senior law students worked for 50 cents an hour and, says Sanford, "resented any fellow who cared whether he got paid." And Jack Elam and Elmer Oettinger and the present Coates-trained staff headed by his successor, John L. Sanders, another Johnston County man.

The growing up of the Institute and its legal adoption by the University in 1942 has been dramatic, discouraging, inspiring, exhausting, thrilling and above all the rare and transcendent victory of a dream fulfilled.

Money, always needed and often lacking, came at first from generous business men, Ben and Caesar Cone and Spencer Love of Greensboro, William Reynolds, James G., Robert and Huber Hanes, Clay Williams, Agnew Bahnson, James A. Gray and Gordon and Bowman Gray of Winston-Salem. But Coates, too, staked his dream.

Senator Sam Ervin, in an address on the floor of the senate, said "it has been estimated that Coates by the early 1940's had contributed from his salary and other earnings over $40,000" to the Institute—a princely contribution from a professor. At one point Albert and Gladys moved out of a house into a room to ease the pinch.

Former Governor Luther Hodges studied at the Institute before taking office. Nowaday mayors matriculate, registers of deeds register for courses and town councils take Institute counsel. There are even seminars for plain citizens teaching them how to be good ones. Thousands of "guidebooks" go out to public officials from the Institute's ever-expanding, ever helpful list of publications.

GIFT FROM PUBLISHER

From a pillar to post operation, the Institute occupied its first real home in 1939. The building on Franklin Street, houses now the offices of the Consolidated University. A gift of $500,000 from the estate of Joseph Palmer Knapp, matched by the state, made possible the opulent new building "built on the high ground at the eastern gateway of the University."

The edifice bears the name of the publisher whose empire once issued Collier's Magazine and who are deeply impressed by Coates and his Institute. The Joseph Palmer Knapp Building is a far cry from the basements, attics, old church and fraternity house in which the Institute was, at one time or another, an uneasy tenant.

In 1962 Albert Coates retired as director of the Institute of Government and turned again to his law classroom. On Aug. 31 he retired officially and fully.

On Jan. 26, 1968, he suffered "a stroke with cardiac complications." Tackling convalescence with the same determination he has applied to everything, he came back handsomely—almost miraculously.

Now in their pleasant, green-sheltered house at 508 Hooper Lane, Albert Coates is, with relish and diligence, setting down the record of his life. As always with the help of his life partner. If the Institute of Government is a monument to Albert and Gladys Coates, they are living monuments to humanity.

HOW THEY SEE COATES

Terry Sanford, former governor, former member Institute of Government staff: "We on the staff called Albert Coates Cap'n. We loved and admired him. Nobody in public life or education or private life has sacrificed more of himself to create something for the public good."

U.S. Sen. Sam Ervin: "Close to 85 per cent of the public officials in the State . . . know Albert Coates as the person whose school first introduced them to their new offices, whose publications kept them informed . . ."

William C. Friday, president of the Consolidated University of N.C. and former Coates student: "I have been associated with Albert Coates for more than a quarter of a century as student and colleague. I know of no one who has rendered greater service to his university or his state. He is one of the intensely warm and cordial people wno have created the tradition so characteristic of the University at Chapel Hill."

Associate Justice Susie Sharp of the N.C. Supreme Court, a former student: "Albert Coates is no man's enemy. He has never forgotten a favor nor remembered a disservice. He views the shortcomings of every individual with sympathy, understanding and great good humor."

Jack Elam, mayor of Greensboro and once of the Institute staff: "Albert Coates has a way of making you a bigger person. Everybody he touches grows."

DOES THE FAIRNESS DOCTRINE OF THE FEDERAL COMMUNICATIONS COMMISSION AUTHORIZE THE ANTISMOKING LOBBY TO LIE ON THE AIRWAYS?

Mr. ERVIN. Mr. President, some serious questions have been raised about the profound effect of the television news medium on the American people, and a great controversy has been touched off.

My purpose today is not to add to that particular controversy but to focus attention on a relatively unpublicized aspect of broadcasting and ask a fundamental question about it.

I refer to the application of the fairness doctrine to cigarette advertising and pose this question:

Does this FCC ruling give antismoking advocates the right to tamper with the truth?

The only acceptable answer is a vigorous "No." Such an answer was eloquently stated by the editors of Advertising Age. They were not attempting to defend cigarettes or cigarette advertising. They were simply affirming their belief that "the rules of fairness, accuracy, and truth in advertising should apply to all advertisers," including antismoking forces. Their commitment to truth led to the following inescapable conclusion:

> Commercials currently appearing on the air on behalf of these organizations—and they are very good commercials, as we have testified frequently—make untruthful and misleading statements which no commercial advertiser could hope to get away with.
>
> They should be stopped.

Mr. President, I ask unanimous consent that the full text of this editorial be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. ERVIN. The editors of this publication certainly have a point. For in the letter which constituted the ruling, the FCC stated:

> We believe that a station which presents such (cigarette) advertisements has the duty of informing its audience of the other side of this controversial issue of public importance—that however enjoyable, such smoking may be a hazard to the smoker's health.

The FCC has not opened the airwaves to "informing" people that smoking "may be a hazard." The FCC has opened the airwaves to propaganda. There is no qualification about the typical antismoking commercial. They say flatly that smoking reduces life by 8.3 years, and that a smoker loses a minute of his life for every cigarette he smokes.

These wild charges and frightening figures are not scientific fact. But they sure do fit the format of the broadcast media and the convictions of the antismoking lobby.

So far as I know, broadcasters have accepted these commercials without questioning their contents. So far as I

know, the Federal Trade Commission has failed to review them for deceptive practices. Perhaps they do so because they find it hard to believe government agencies and health organizations could remodel scientific mother hubbards into mass media miniskirts.

Can you cut the cloth of science to fit a commercial?

Yes, indeed. Especially if you are working on a bolt of statistical material and are not too fussy about how you back it up.

Let me give an example of how the communications experts at the Department of Health, Education, and Welfare do it. They recently tailored some very complex and tentative statistics to fit neatly into a short and simple antismoking message.

The finished product said flatly:

If you enjoy yourself by smoking a pack or more of cigarettes a day, you may be much *older* than you think. Medical research, conducted by the NIH National Heart Institute, has led to the finding that heavy smokers may be considered to be 15 years beyond their chronological age. This is true when it comes to developing coronary heart disease.

A news release, which was a by-product of the process, reported that "if you smoke a pack or more of cigarettes daily, or if your blood pressure or serum cholesterol levels greatly exceed normal, you may be 7, 15, or even 20 years older than your chronological age—insofar as your chances of developing coronary heart disease."

Where did this information come from? What was the fabric from which it was cut to fit neatly and dramatically into the spot of fairness doctrine air time?

From the HEW news release we learn that the raw material was a 12-page paper entitled "A Multivariate Analysis of the Risk of Coronary Heart Disease in Framingham." It was published in the Journal of Chronic Diseases, Vol. 20, 1967. "Multivariate Analysis," as the authors point out is a tool for studying the simultaneous effect of many risk factors. The paper is replete with mathematical formulas, technical terminology, and statistical tables. The conclusion, however, is fairly understandable even to a Senator. I quote:

The most important risk factor, aside from age itself, are cholesterol, heavy smoking, ECG abnormality, and blood pressure. Weight, while also a risk factor, has a significantly smaller effect than these four.

The basic raw material—the scientific paper—did not single out cigarette smoking. Nowhere did the statement appear that heavier smokers may be considered to be 15 years beyond their chronological age when it comes to developing coronary heart disease. Indeed, for all men, the most important single risk factor in developing heart disease turned out to be age. In other words the older you grow, the more likely you will develop this illness. Obviously, the writer of antismoking propaganda could not do much with that, and so it was snipped out.

Tailoring, or tampering with the truth, is widespread. The airwaves are full of false, misleading, and deceptive antismoking commercials.

A Public Health Service commercial stated that between the 1900's and the 1960's per capita consumption of cigarettes increased from 49 to 4,200 a year. And it went on "death rates have increased accordingly."

Mr. President, that statement is not only false, it is completely false. Death rates in this country have decreased from 17.2 per thousand in 1900 to 9.4 per thousand in 1965. Thus, the antismoking commercial misleads the listener into believing that death rates have increased in proportion to the increase of cigarette smoking. Just the opposite is true.

Another Public Health Service announcement heralds a "simple solution" to the problem of emphysema—just quit smoking. "All too often," it declares, "the result of smoking is emphysema."

Mr. President, it is disturbing to compare this claim with words that come out of the other side of the Public Health Service's mouth. A PHS review called "The Health Consequences of Smoking," revised in 1968, states:

This crucial question must be answered affirmatively before an inference can be made that smoking directly causes pulmonary emphysema: Does inhaled tobacco smoke have a direct toxic effect on the alveolar tissue in the lung parenchyma which is important in the pathogenesis of pulmonary emphysema? *At present, it cannot be answered.* (Italic supplied.)

It is misleading and deceptive to claim that emphysema is the "result" of smoking. The hard fact, sad to say, is that the cause or causes of this disease are unknown. It is false to state or imply anything else. Repetition of such a statement only serves to divert science from the search for the desperately needed solution.

Volunteer health groups which benefit from millions of dollars of free air time under the fairness doctrine too often leave fairness on the cutting room floor in their zeal to produce hard-hitting antismoking commercials.

The American Heart Association has produced a commercial that leaves the audience with a simple message—among other things, smoking has been proved to cause emphysema and heart diseases. Yet former Surgeon General William Stewart admitted to Congress in March of this year that cigarette smoking has not been proven to cause heart diseases or emphysema.

The American Cancer Society—probably the primary beneficiary of donated time under the fairness doctrine—tells listeners that:

All people everywhere have at least one thing which unites them in a common bond. All people can die from lung cancer, which they get from smoking cigarettes.

The implication is direct: "When it comes to lung cancer," the announcement declares, "there are only two classes: smokers and nonsmokers."

The implication that lung cancer is a disease developed only by smokers is false, misleading and deceptive. The false claims give rise to the mistaken notion that lung cancer would disappear if cigarette smoking was eliminated. Such thinking paves the way for punitive action against the cigarette industry and hundreds of thousands of tobacco farmers. Nonsmokers develop lung cancer. The American Cancer Society knows this. Recent advertisement of the ACS admitted that 25 percent of lung cancers occur in nonsmokers.

What is behind this wave of unfair, false, misleading, and deceptive practices? It is a resurgence of the belief that the ends justify the means. Some people, both within and outside the Government, feel they are justified in misleading the public on the issue of smoking and health. They feel they have a right to "fool all the people all the time" in the public interest. This is a controversial philosophy. But philosophy aside, the practice is illegal. The law just does not permit anyone—regardless of motives or alleged social value—to indulge in false, deceptive and misleading advertising.

The Federal Trade Commission is empowered to issue cease and desist orders to any advertiser who violates the law. The FTC should act now against Government agencies and private health organizations who deviate from the truth whatever their cause or conviction.

Individual broadcasting stations and networks should carefully review antismoking commercials to insure that they comply with the code of good practices of the National Association of Broadcasters. They have an obligation to operate in the public interest, and that interest is not served by falsehoods.

Finally, the Federal Communications Commission should immediately revise its "fairness primer." There must be more to a fairness doctrine than providing free access to the airwaves. The very concept implies that the content be fair and factual as well.

EXHIBIT 1

[From Advertising Age, Nov. 10, 1969]

THE TRUTH SEEMS A LITTLE TWISTED

This is not an attempted defense of cigarets or cigaret advertising.

It is a simple affirmation of the belief that the rules of fairness, accuracy and truth in advertising should apply to *all* advertisers—including the American Cancer Society and the American Heart Assn.

Commercials currently appearing on the air on behalf of these organizations—and they are very good commercials, as we have testified frequently—make untruthful and misleading statements which no commercial advertiser could hope to get away with.

They should be stopped.

These commercials say, without any qualification, that cigaret smoking, on the average, reduces a smoker's life by 8.3 years, and that every cigaret you smoke takes a minute of your life. These are wild, unsupported allegations. They should not be permitted on the air.

The theory that "anything is all right if the right people do it" holds no water at all. *All* advertising should be truthful, in fact and in implication. This particular statement is neither. It should not be permitted.

VICE PRESIDENT AGNEW AND THE MEDIA

Mr. DOLE. Mr. President, an editorial published recently in the Peoria Jour-

nal Star correctly reflects the attitude of most Americans with reference to recent speeches by Vice President SPIRO T. AGNEW.

Because I believe it will be of interest to Members of Congress, I ask unanimous consent that it be printed in the RECORD.

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

SPIRO SPELLS IT OUT

Spiro who?

The wise guys of the flicker-box found out "who" Thursday night.

The man stood up in Des Moines and spelled it out—chapter and verse—that "network news" is one-sided, locked into a New York-Washington syndrome that is unnatural and different from the rest of the country. He backed it up with vivid examples and quotations ranging from Walter Lippmann to Judge Learned Hand on the subject of the tiny cell of people handling the magic eye.

Agnew hit them so hard that for once they felt they had to put one of Mr. Agnew's speeches on the air and let us all see him in action—instead of just listening to them ridicule him secondhand.

The result was pretty impressive. He was no joke after all. And no newsman was smiling when reciting the sober statements of self-defense issued with mysterious instantaneousness by all three network presidents.

After one solid year of slander, ridicule, and defamation intended, clearly, to grind Spiro Agnew into nothingness, the networks have found they have a tiger by the tail.

And they seem horrified and stunned that *somebody* actually talked back to them!

Their efforts to muddy him up totally have turned him into the most sought-after speaker in the United States. They've probably given him a fund-raising capability for the 1970 congressional elections greater than the combined efforts of the opposition party's entire national committee.

And who doesn't like to see the No. 1 "underdog" of the year finally snap back—with telling effect?

He scored! That's the stinger.

And they deserved it.

Their constant unanimity of attitude, the harmonious chorus from bass to tenor all singing the same tune, has given away the game and he called them on it.

They, themselves, have been proving their own small "inner circle" approach. They must now take a look at themselves and face the fact that their brainchildren all have had the same deformity and are plainly the offspring of intellectual incest.

That is the practice which should be criticized, that needed to be brought to light, and could be done by no man better than their chief "victim."

A "victim" who has lately been standing up and saying a number of things that millions have felt needed to be said. The whole dialog has been too one-sided, too long.

One man has changed that drastically.

And the "nobody" butt for jokes is rapidly becoming a national hero.

ENVIRONMENTAL QUALITY: THERMAL POLLUTION AND TRITIUM

Mr. TYDINGS. Mr. President, the threat to our waters from the thermal discharges of nuclear power plants is very real. In the next few decades the demand for energy will increase enormously. Giant power facilities will be required to meet America's seemingly endless need for energy.

Yet without careful site selection, design, and operation, these power facilities can pose a significant threat to our environment. As a Senator from the State which possesses the Chesapeake Bay, a complex estuary that can easily be ecologically disturbed, I am quite concerned.

This threat does not mean, however, that we should ignore our energy requirements. Nor does it mean we should single out nuclear generating facilities as inherently undesirable. It means only that we clearly recognize the environmental impact which these facilities will have.

The planned nuclear power plant at Calvert Cliffs, Md., has generated considerable and often outspoken controversy. I have tried to facilitate communication between those scientists opposed to the plant and the AEC. While not qualified to judge the technical questions involved, I do feel we as elected officials bear the responsibility to make sure that the people's voice, particularly those in opposition, are heard by the Commission.

In this regard, I have received the AEC's response to a paper by Dr. Timothy Merz, assistant professor of radiobiology at the Johns Hopkins University. Dr. Merz is specifically concerned with the problem of tritium. The committee's reply should be a matter of public record, and I thus ask unanimous consent that Dr. Glenn T. Seaborg's letter of November 12, 1969, to me be printed in the RECORD, as well as the enclosed paper entitled "Radioactive Pollution of the Atmosphere," by Joshua Z. Holland of the Atomic Energy Commission.

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

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., November 12, 1969.

Hon. JOSEPH D. TYDINGS,
U.S. Senate.

DEAR SENATOR TYDINGS: I appreciate the opportunity to respond to your request for comments on the paper which you received from Dr. Timothy Merz of Johns Hopkins University. Dr. Merz's paper contains numerous interesting questions and comments. Although some of the material which I furnished you in my August 8, 1969, letter on the Calvert Cliffs Nuclear Power Plant addresses many of Dr. Merz's questions, I will, as you requested, respond fully to Dr. Merz's points.

One of the several questions posed by Dr. Merz was that of the sufficiency of information to "impose proper restrictions." Because adverse biological effects of radiation have been recognized from the earliest days of the nuclear industry, great attention has always been given to the question of safety and considerable research has been directed toward obtaining broader and more quantitative data on the biological effects of radiation. For example, the operating budget administered by the AEC's Division of Biology and Medicine for Fiscal Year 1969 alone was about $90 million. In addition, research programs on the biological effects of radiation are supported by the Department of Health, Education and Welfare and many private organizations in the United States and by many other nations of the world. Our knowledge on this subject is extensively documented in research reports and publications and in scientific publications by such groups as the International Commission on Radiological Protection, the National Council on Radiation Protection and Measurements, the Federal Radiation Council, the National Academy of Sciences and the United Nations Scientific Committee on the Effects of Atomic Radiation. In addition, this has been the subject of extensive hearings by the Congressional Joint Committee on Atomic Energy. The publication of the record of the hearings held in 1960 on radiation protection criteria and standards and the hearings held in 1957 on the nature of radioactive fallout and its effects on man are highly informative compilations of information on the biological effects of irradiation. The most recent publication of the Congressional Joint Committee on Atomic Energy which appeared in August 1969 is entitled "Selected Materials on Environmental Effects of Producing Electric Power" and again makes a significant contribution by providing information which is specifically relevant to environmental effects of nuclear power plants.

Since there seems to be some confusion surrounding the basis for release limits of radioactive materials from nuclear power plants, it should be pointed out that the AEC regulations on radiation protection are based principally on the radiation protection guides recommended by the Federal Radiation Council (FRC) and approved by the President for guidance of all Federal agencies. In 1959 Congress established the FRC to:

" . . . advise the President with respect to radiation matters directly or indirectly affecting health including guidance for all Federal agencies in the formulation of radiation protection standards and in the establishment and execution of programs of cooperation with states . . ."

After the recommendations of the FRC are approved by the President, they are published in the *Federal Register* for guidance of Federal agencies. The recommendations of the FRC are developed with the assistance of appropriate Federal agencies, the National Academy of Sciences and the National Council on Radiation Protection and Measurements. In addition to their own expertise, the members of these groups seek the advice of other highly qualified scientists and researchers with specialized knowledge of the many factors that determine the effects of radioactivity on man. The results of the extensive experimental programs on the behavior and effect of radioactive materials in the environment and in living tissue are also carefully considered in developing the FRC guidelines. In addition to the biological factors, acceptable levels of risk depend equally on social, engineering and economic considerations. The standards set by the FCR are reviewed as new research information becomes available or as new problems arise to determine whether changes in these guidelines are needed. In discussing radiation effects, the National Academy of Science—National Research Council in 1960 stated,

"Despite the existing gaps in our knowledge it is abundantly clear that radiation is by far the best understood environmental hazard. The increasing contamination of the atmosphere with potential carcinogens, the widespread use of many new and powerful drugs in medicine and chemical agents in industry emphasize the need for vigilance over the entire environment. Only with regard to radiation has there been determination to minimize the risk at almost any cost."

Dr. Merz states that those who disagree about the dangers of nuclear energy are in two camps. In one camp he places the AEC and the electric power industry. The other camp he identifies as a mixture of professional biomedical experts and the well informed, interested people from a variety of responsible organizations and others who he identified as a lunatic fringe. The AEC has responsibility to protect the health and safety of the public, and the record shows that we have carried out this responsibility both in

research and development and in areas of regulation. The AEC recognizes the complexity of arriving at safety judgments related to radiological health and safety; therefore, we seek advice and assistance from numerous sources with special qualifications on particular problems, both inside and outside the government. Not only do we use the advice and recommendations of the FRC, ICRP and NCRP, but radiation protection standards incorporate the extensive information available on radiobiological change and the understanding and judgment of independent national and international experts and organizations. Since Dr. Merz appears to be specifically interested in the effects of tritium, a report by L. E. Feinendegen, "Tritium Labeled Molecules in Biology and Medicine," published by Academic Press in 1967, provides a wealth of sound information and includes references to approximately 1,000 experimental studies involving tritium with more than 100 studies of its effects on the body, and nearly 400 articles on experimental techniques. We are constantly striving for new knowledge, increased understanding, and along with independent organizations and biomedical scientists, are continually reviewing the new developments on the behavior of tritium. We look to the assistance of scientists to contribute to this process by identifying specific problem areas and by suggesting how these areas might be improved.

Before discussing Dr. Merz's reference to krypton-85 and tritium specifically, I would like to mention the reconcentration of radioisotopes since considerable misunderstanding has developed in this area. Reconcentration refers to the fact that aquatic and marine forms selectively remove certain elements from the water or from their food. These elements in various chemical forms may be incorporated into the body or body fluids of the organism. Consequently, the organism may have a higher concentration of certain elements than the concentration found in water. If a radioisotope of one of these elements is biologically available, it may be taken up along with its stable form and likewise be concentrated in the organism. Reconcentration of radionuclides by aquatic and marine food organisms is taken into consideration in AEC regulations. These regulations provide that, in addition to limits on concentrations, the AEC may further limit quantities of radioactivity released from a reactor if it appears that the daily intake of radioactive materials from air, water, or food by a suitable sample of an exposed population group, from all sources including multiple reactor sites, would otherwise exceed FRC radiation protection guides. In practice releases of radioactivity from nuclear power plants have been so low that the AEC has not found it necessary to implement this provision of the regulations. Operating experience to date has shown that exposures to the population in the vicinity of nuclear power plants from radioactivity and plant effluents are only a small fraction of radiation protection guides.

Dr. Merz refers specifically to effluent discharge of krypton-85 and tritium. Based on the projected growth of the nuclear power capacity in the United States and the free world, estimates have been made of the contribution to the exposure of the world's population assuming the release and complete mixing in the atmosphere of all krypton-85 produced. These estimates show that by 1980, assuming an installed nuclear power plant capacity of 300,000 Mwe in the United States and the free world and that present practices of releasing all krypton-85 to the environment are continued, krypton-85 would contribute about 0.6 mr per year to the population exposure. By the year 2000, assuming a projected installed nuclear power capacity of roughly 1,000,000 Mwe, the exposure could increase to about 2 mr per year. Correspondingly, estimates of exposures from the release of tritium produced in nuclear power reactors have been made assuming that tritium is diluted in the volume of circulating waters of the world, including the water in oceans and seas to a depth of 40 meters and in streams and in the first 10 kilometers of the atmosphere. These estimates show that by 1980, tritium would contribute about 0.0006 mr per year and by the year 2000, about 0.002 mr per year to the population exposure. It should be noted that with respect to the fission product krypton-85, only a relatively small fraction of the total quantity produced is released during operation of power reactors. The remainder is released at a chemical reprocessing site during reprocessing of the spent fuel elements. The above estimates of exposure include krypton-85 and tritium released both from power reactors and chemical reprocessing plants.

In order to establish some perspective for you as to the meaning of the estimated exposures given above, the external radiation exposure to people from natural background exposure due to cosmic radiation and radiation from naturally-occurring radionuclides in the environment is 70 to 150 mr/yr in most sea level regions with an average of about 100 mr/yr. In other regions radiation levels are higher depending both on elevation and the naturally-occurring radionuclide content of the soil. For example, the radiation level at Denver, Colorado, is about 170 mr/yr. In some areas of India and Brazil, radiation levels from natural background range higher than 1,000 mr/yr. At any given location the natural background radiation level varies considerably from time to time, even in short time intervals, depending on weather, temperatures, seasonal and other features.

I am enclosing a paper on radioactive pollution of the atmosphere which was delivered by a former member of the AEC staff recently at a symposium at the Lawrence Radiation Laboratory in Livermore, California. In this paper, Dr. Joshua Z. Holland has pointed out what we know of the effects of krypton–85 in the atmosphere and our continuing concern for this nuclear power produced noble gas. In this presentation, Dr. Holland also addresses himself to the fact that the amount of krypton–85 released to the environment has only been a very small percentage of the amount which could become biologically significant. Recently completed studies by the AEC and the USPHS on the worldwide effects of the release of long-lived noble gases and tritium indicate that through the year 2000 radiation exposures to the general public will not exceed small fractions of the radiation protection guides recommended by the Federal Radiation Council, National Council on Radiation Protection and Measurements and the International Commission on Radiological Protection. I am confident that the science and technology of handling noble gases will continue to keep pace with our reactor development program and that methods of controlling or containing noble gases will be developed.

Dr. Merz reports on an experiment in which he observed that if fish and snails are given food containing tritium, some of it is incorporated in the body tissues. The uptake of tritium by all living organisms from water and nutrients is a well known fact. The property of tritium, in common with many other radionuclides, of remaining within the molecular structure of many nutrient elements as they are digested and metabolized in the body has been used in hundreds of published studies in biochemistry and related fields. It is this very property which makes tritium particularly useful in biomedical research. If, in this experiment, Dr. Merz is attempting only to show that tritium is taken up by organisms living in a tritium-containing medium, then we completely agree and no one, so far as we know, would claim otherwise. Dr. Merz's qualitative observations do not provide any information on how quantities of tritium retained by acquatic life are related to concentrations in water and food nor as to how the tritium may be distributed in individual body parts. Further, he has not provided enough information on which we can assess his experiment to determine any other valid conclusions; for example, we have questions on the number of samples, amount of tritium in the water, the weight of the samples, and to what extent Dr. Merz allowed time for his experiment to come to an equilibrium. These are questions discussed in one of the papers which was included in my letter of August 8, 1969, entitled "AEC Technical Discussion on Tritium Releases from the Proposed Calvert Cliffs Nuclear Power Plant." In the paper referred to above, it was pointed out that organisms living in the Bay would ultimately have the same ratio of tritium to hydrogen in their organic molecules as the tritium to hydrogen ratio in the water in which they are grown. This equilibrium will be reached slowly. However, as we explained, the tritium released into the Chesapeake Bay from the proposed Calvert Cliffs reactor would not become more concentrated or, with respect to hydrogen, more enriched as it moves along the natural food webs to man than is present in that environment.

We are convinced that currently available information on radiobiological change provides a sound basis for the establishment or conservative standards to assure safe operation of nuclear facilities and that the performance of these facilities to date clearly demonstrates that they can be operated well within these standards.

The task of conveying our continuing concern to those who are apprehensive, or not familiar with the scientific basis of our standards, or to those whose concern is based on other factors, is a difficult task. We recognize that we in the nuclear field will need to be more effective in relaying to both the general public and the specialists a complete and unbiased picture of the basis for our decision in this regard.

I trust that this information will be helpful.

Cordially,

GLENN T. SEABORG,
Chairman.

RADIOACTIVE POLLUTION OF THE ATMOSPHERE

(By Joshua Z. Holland, Chief, Fallout Studies Branch, Division of Biology and Medicine, U.S. Atomic Energy Commission)

ABSTRACT

The presently existing nuclear technology can proceed to expand for several decades at a maximum pace determined by supply and demand, while keeping the radioactive air pollution within acceptable limits. Presently known methods for improving on existing technology can extend that period a few additional decades. But after that, if the peaceful applications of nuclear energy are to continue to expand at a rate commensurate with human needs, new methods will be required for industrial waste gas handling and for evaluating the acceptability of proposed new sources of pollution. There is no reason to doubt that the science and technology can grow at a sufficient rate to be available when needed.

Let me begin with some physical facts for orientation purposes.

The atmosphere weighs 10 tons per square meter of earth's surface. There are 500 million square kilometers of earth's surface. There are therefore 5 billion billions kilograms of air. At sea level each cubic meter weighs 1¼ kilogram so the atmosphere contains 4 billion billion sea level cubic meters.

One of the interesting potential pollutants

resulting from nuclear fission is krypton–85. Being a noble gas it tends to pass through filters and iodine traps during chemical processing of reactor fuel elements, and thus to escape to the atmosphere. There it accumulates, having a half-life of 10 years. About 4/10 of a curie of krypton–85 is produced by the nuclear reactor per year for each kilowatt of electric power it produces. If the nuclear power generation rate were constant, and all the generated krypton–85 were released to the atmosphere during fuel reprocessing, the total atmospheric burden would approach an equilibrium value about 15 times the annual production rate, or about 6 curies per electrical kilowatt.

The concentration below which nuclear power reactor operators are required to hold the kryptron–85 concentration outside their controlled area is 3×10^{-7} curie per cubic meter. A steady production rate of 200 billion nuclear electrical kilowatts would be required to bring the average concentration of kryptron–85 up to this level. Because of the slow rate of atmospheric mixing upward into the stratosphere and horizontally from regions of heavy to light industrial concentration, the air in the more heavily populated latitude band would reach this concentration at a lower steady power level, perhaps 50 billion electrical kilowatts. For comparison, the present total electrical generating capacity in the United States is about 0.3 billion kilowatts.

However, as long as power levels are rising rapidly from year to year, the global krypton-85 accumulation will lag behind. Thus at the time a nuclear generation rate of 50 billion kilowatts is actually attained, average kryton-85 concentrations may be half the equilibrium level and thus well below the present permissible level. On the other hand, when large populations are exposed a guide level ⅓ that currently used might be applied.

Local concentrations downwind of reprocessing plants will, of course, be several-fold higher than latitude averages. Local levels depend on the rate of release rather than on the cumulative atmospheric inventory. They will therefore not lag behind the power levels.

So much for the quantitative orientation.

It has been estimated that by the turn of the century, nuclear energy will supply about half of a total United States electric power capacity exceeding a billion kilowatts. An additional nuclear power generation capacity of similar or possibly greater magnitude will exist elsewhere in the world. The nuclear power will be economically competitive with that produced by combustion of fossil fuels while continuing to keep the radiation exposures of the general public within present-day guides of the Federal Radiation Council. This can be accomplished even if only present-day practices are employed for gaseous and particulate waste disposal to the atmosphere.

The next billion world-wide nuclear kilowatts would begin to present problems, but these can be solved by using presently known methods for improving the removal and containment of radioactivity from the off-gas streams of fuel reprocessing plants. Krypton-85, iodine-131, xenon-133 and tritium will need to be controlled carefully so that:

(1) Reprocessing plants do not require such large exclusion areas to maintain the radiation exposure of nearby populations below present day guides that the number of suitable locations becomes very limited and transportation costs increasingly large.

(2) The increase in average radiation exposure for the population as a whole does not exceed a small percentage of natural background exposure.

It may turn out that when the volume of fuel reprocessing business grows large, the reduction of site size permitted by improved off-gas treatment, and consequent increase in number of usable sites, will save more money in fuel transportation costs than the improved off-gas treatment will cost. If so, the improvements in effluent control at the source can be justified on economic grounds alone. This alternative would be strongly favored from the viewpoint of social benefit, even if it were not justifiable economically, and even though it would not be required by present-day regulations. Furthermore, the nuclear electric power industry may not be the only significant source of man-made radioactivity in the atmosphere as we progress into the nuclear age.

Somewhere around the tenth billion kilowatts of world-wide nuclear electric power, it appears that source controls going beyond applications of presently known principles will become mandatory in order to stay within today's guides. This could come before the middle of the 21st century.

Let us be bullish and assume that before too many decades there will be nuclear desalting and agro-industrial complexes and nuclear earth-moving projects which will transform the arid waste lands of the earth to bountiful homelands for billions of people. Let us assume also that many large vehicles and scientific stations will be carrying out useful and entertaining missions in space with the aid of nuclear energy.

We then can leap quickly to a number of conclusions about the nature of the radioactive air pollution problems in the nuclear age.

The peaceful applications of nuclear energy will be carried out without creating an unacceptable air pollution problem by *definition*. That is, since conventional alternative means exist for doing nearly all the essential things, the extent to which nuclear means are employed will be limited by the levels of atmospheric radioactivity which the public finds acceptable.

The definition of acceptable limits will have to be reasonably consistent among all nations of the world. It is reassuring to observe that effective means of international communication already exist in this field.

The question as to how far below the acceptable limits the radioactivity concentrations can be maintained will be decided largely on economic grounds. Until well into the 21st century it appears that the levels of individual radionuclides released by power reactors and reprocessing plants can be held well below present-day guides. Eventually the waste handling technology may be fully occupied in keeping within the guides.

At first the guides will be applied to one or a few "critical" nuclides at a time, all others being clearly far less important. As controls are instituted on one nuclide after another when they are projected to be approaching the guides, the number of nuclides from the nuclear power industry whose atmospheric concentrations are close to their permissible limits will become larger and larger.

At the same time other sources of krypton-85, iodine-131 and tritium, such as peaceful nuclear explosives or nuclear rocket motors, and also other radionuclides, such as tungsten-181 and manganese-54 from peaceful nuclear explosions, and plutonium-238 from space nuclear power systems, will also be increasing. Initially, the growth of each of these nuclear technologies may be limited by other factors such as supply and demand. Ultimately, however, each may tend to be limited by the economic penalties imposed by the requirement to operate within the permissible limits of environmental pollution.

It can be assumed that the effects, whatever they may be, would be more severe if a dozen or more different radionuclides were at their maximum permissible concentrations in the atmosphere than if only one were. It will therefore be necessary to devise a way of establishing guides for limiting the atmospheric concentrations of variable mixtures of numerous radionuclides. The composition of the mixture will change with time, and each component will have some segment of the world's economy, perhaps even the total economies of some nations, sensitively dependent on its prorated share of the MPC.

The biomedical problem is to find out how the effect of a low dose, of the same order of magnitude as the natural background dose, depends upon the way it is distributed among the organs and tissues of the body. The practical problem is that, even though the effects of doses of the magnitude of the maximum permissible radiation doses may continue to be in considerable doubt, the doses adopted for design and control purposes must be well defined and reasonably stable. Let us imagine that all possible combinations of organ and tissue doses can somehow be covered by a set of "permissible limits," or perhaps several sets for individuals and populations of various sizes. Under existing concepts of radiation protection the summation of radiation exposure due to atmospheric pollution, together with all other pathways of exposure, would be judged against these limits. The atmospheric radionuclides, in turn, must be evaluated in terms of their exposure pathways such as immersion, inhalation, deposition and food-chains to arrive at a measure of their contribution to the individual or population dose. To affect the nuclear technology in a rational manner the dose attributable to each atmospheric nuclide must again be resolved into the part attributable to each source of contamination. It seems most likely that the effects of various assumed combinations will have to be explored at both the source end and the dose end of the calculation in order to arrive at a compatible set of radionuclide emission licenses.

This bookkeeping plus optimization problem does not appear to be an unreasonable job for a computer if it does not have to be done too many times at too many places. It does require complete input data on existing and proposed radioactive pollution sources, good mathematical models for predicting the doses via all possible pathways, and a comprehensive set of dose distribution limits. The type of research and development which would be required for such a system is underway, but perhaps at a somewhat leisurely pace.

After all, we don't know how long it will take to get the needed research results for the design of such a system, since some of the pathways and mechanisms probably have not yet been identified. We also don't know when the system will be needed, although it seems likely that it will be evolving during the coming decades as rapidly as the scientific base permits. Even now, with essentially the same scientific base and the same book of rules in the hands of both the official regulatory agencies and the applicants for licenses, each significant new scientific finding has an impact on the licensing process.

Quantitative models will certainly be needed for predicting atmospheric transport, dispersion and deposition on all spatial scales, as a function of the physical and chemical properties of the contaminant material, the location and height of release, nature of surrounding buildings and terrain, time of day, season and weather. Even for present-day applications the uncertainties are larger than we would like them to be. Such present applications include the determination of

permissible reactor containment building leakage rates, the determination of exclusion area requirements for fuel reprocessing plants, the evaluation of the consequences of potential accidents affecting isotope power units for the space program, and the estimation of the effects of long-range dispersion or precipitation on the number of acceptable days for nuclear cratering or nuclear rocket engine tests. These programs are in their infancy and each has the potential to grow within a few decades to a size such that incremental costs of hundreds of millions to billions of dollars may well be determined by the outcome of such meteorological calculations.

My conclusion is that the problem of radioactive pollution of the atmosphere *can* be kept under control. To do so will require world-wide acceptance of common standards and effective regulatory mechanisms. These mechanisms and their scientific base must grow to keep ahead of the industry, and not be allowed to lag behind as has occurred most commonly in the past history of other technologies. The problem will become more and more complicated with the proliferation of sources, and will probably require an international accounting system as well as rapid international dissemination of the best available technological information. The problem of evaluating the biomedical implications of proposed new sources of radioactive air pollution will continue to strain our scientific capabilities, despite the best research efforts we will be able to put forth, for some time to come. Nevertheless there does not seem to be any doubt that feasible control levels, assuring an acceptable margin of safety, can be agreed upon.

The incentive for exploiting the benefits of nuclear energy will be very powerful. The incentive for keeping the atmosphere safely breathable will also be very powerful. Of course, the people who feel these two incentives most keenly may not in general be the same. As scientists we must provide both groups with a complete and objective information base, and on a timely basis. As scientists we must also keep in mind the following possibilities:

(1) That the world-wide nuclear technologies may grow more slowly or more rapidly then we are now predicting; and (2) that the biomedical research may turn up information which will result in a change upward or downward in the levels of radioactive pollution considered acceptable.

IDEALISM, IGNORANCE, AND INNOCENCE

Mr. HANSEN. Mr. President, I have read with interest an article written by the distinguished columnist Mr. Joseph Alsop, and published in the Washington Post of November 17, 1969.

I believe it is Mr. Alsop's intent to point out to those who are the followers of some of the Nation's demonstrations just who their leaders are. Many believe that most of those who participate in demonstrations against American policy, especially that policy as pursued in Vietnam, have, though well intentioned, served as pawns to the advantage of the enemy. This belief has, of course, been reinforced by the steady stream of encouragement to the demonstrators from the Communist leadership in Hanoi.

The American Security Council prepared a factual paper entitled "Mobilization for Surrender," which contains information that should provide some enlightenment to many innocent demonstrators the source from which some of their leadership has been derived or influenced. I believe it will be in the interest of many of the loyal, though perhaps misinformed Americans who have participated in demonstrations recently that I ask unanimous consent to have printed in the RECORD Mr. Alsop's column and the American Security Council report.

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

SALUTE TO NIXON BY GOLDA MEIR MAKES "KID" MARCH HEARTACHE

It was hearbreaking, somehow, to see "the kids" in Washington, and then to learn of the latest, least expected support for President Nixon's Vietnamese policy.

That mother in Israel, Golda Meir, seems to have walked, insensible, arch-supporting shoes, straight out of one of the heroic epochs of the Bible story. But as Prime Minister of a small, infinitely brave and viciously beleaguered nation, Golda Meir must be alert to all that passes in the present.

She heard and studied President Nixon's remarkable Vietnam speech. Whereupon quite spontaneously, without solicitation, to the vast surprise of the White House, Mrs. Meir sat down and sent the President a message of warm congratulation and strong moral support.

Among other things, she saluted the President for "encouraging and strengthening small nations the world over, striving to maintain their independent existence, who look to that great democracy, the United States of America." The highest Israeli sources state, without hesitation, that this was an indirect but emphatic reference to an obvious danger that Mrs. Meir now fears.

The fact is that Israel's peril will be much increased by the worldwide repercussions of the kind of American defeat that "the kids" clamored for here in Washington. It is very strange indeed, therefore, that this purposely significant message to the President should have received no attention to date, despite its high origin and easy public availability.

This reporter learned of Mrs. Meir's message by sheerest accident over the weekend, days after its White House release, and just after escaping from a huge sidewalk eddy of "the kids." It was heartbreaking, simply because it so sharply pointed out the contrast between Mrs. Meir and the people she leads and the new breed of Americans those "kids" represent.

The word is put in quotations because it is time to protest the degrading sentimentality, the mush-headed permissiveness that lies behind this novel usage. In the Second World War, silly people used to call our troops "American boys" in the same manner. Yet they were not boys; they were American men, bravely fighting for their country, thank God and them, as men are sometimes called upon to do.

Today, it is far worse. A bearded, unwashed, 25-year-old Trotskyite is not a "kid." Neither is a lank-haired 24-year-old harridan of the same persuasion. Male and female storm troopers of the new left, perhaps; but "kids," no! And if you collect the facts about the brutality some of these alleged kids have actually resorted to, in the current New Left assault upon academic freedom, for instance, storm trooper seems a quite justifiable appellation.

Here, to be sure, we are speaking of a small though very influential minority. Idealism, ignorance and innocence, wallowing self-pity and simple fashion no doubt animated the great majority of the young people who marched in Washington at the weekend. But even the most empty-headed 18-year-olds were not "kids," they were at least proto-adults, with a duty to begin facing the world and the facts in a fully adult manner.

It is this refusal to face the world and the facts as adult Americans that mainly characterizes "the kids." It is also this refusal, one supposes, that their admirers have in mind when they call them "kids." And it is this refusal, once again, which sets these young Americans so far apart from the most beardless boy, from the most barely nubile girl among Mrs. Meir's people.

A kindly Providence has never called upon the American people to show the heroism, the hardihood, the unfailing will and resolution of Mrs. Meir's people. The Civil War, over a hundred years ago, was the nearest we ever came to a comparable test, and in the hard cold harbor-time, Abraham Lincoln and Ulysses S. Grant were among the few Americans who had not begun to lose heart.

The truth is that we Americans, because of our great good fortune, have always tended to forget the basic lesson that history is a harsh, remorseless process, in which few nations get a second chance. That is the lesson that has been cruelly rubbed in upon Mrs. Meir and her people, by over two millenia of dire experience with history's harshness.

To the convinced pacifists, fighting for your country is always wrong—even if the end result is to condemn men like Noam Chomsky to the fate of Yuri Daniel and Alexander Solzhenitsyn. And this would surely be the end result, and for independent-minded Americans of every kind.

But unless the storm-trooper doings of the New Left minority provoke even worse reactions on the right, we can still count upon escaping that fate, providing we learn just a little from Mrs. Meir and her people.

MOBILIZATION FOR SURRENDER

As protests against the war in Vietnam rise across the country, Americans should become aware of the origins of these protests.

During the late Spring of 1969, a group of approximately 80 radical leaders of anti-war organizations issued a Call to a National Anti-War Conference to be held in Cleveland, Ohio, July 4–5, 1969. The Call was initiated for the most part by individuals associated with the National Mobilization Committee to End the War in Vietnam (MOBE), an organization which has functioned as a coalition for numerous anti-war groups operating throughout the country. Included among those persons who endorsed the Conference Call were such MOBE leaders as David Dellinger, Robert Greenblatt, Donald Kalish, Sidney Lens, Sidney Peck and Maxwell Primack.

Functioning as the lineal descendant of A. J. Muste's November 8 Mobilization Committee for Peace in Vietnam, MOBE has a three year history involving violence and civil disobedience. MOBE sponsored the October 21–22, 1967 demonstrations in Washington, D.C., during which time repeated attempts were made to close down the Pentagon. It also jointly planned and executed the disruption of the 1968 Democratic Party National Covention held in Chicago, and sponsored the demonstrations in the Nation's Capital on January 18–20, 1969 in protest over the inauguration of President Nixon.

In a determined effort to revive and strengthen agitation protest activities against U.S. military involvement in Vietnam, MOBE-oriented initiators of the Cleveland Conference believed that a more extensive formation of MOBE was required in order to establish an effective anti-war program. According to the published Call, the purpose of the Conference was to "broaden and unify the anti-war forces in this country and to

plan co-ordinated national anti-war actions for the fall." The Conference was hosted by a MOBE-affiliated organization called the Cleveland Area Peace Action Council (CAPAC), a coordinating body of several dozen anti-war groups in Cleveland, in cooperation with the University Circle Teach-In Committee at Case Western Reserve University. The meetings were held during the entire two-day period at the University's Strosacker Auditorium. Publicity for the Conference was arranged by several organizations including the Student Mobilization Committee to End the War in Vietnam, a group dominated by the Trotskyist Socialist Workers Party.

The Conference was attended by approximately 900 persons, many of whom were delegates from anti-war groups comprising individuals identified in sworn testimony as Communists, well-known Communist sympathizers and radical pacifists in their leadership. Among the more notorious organizations represented at the Conference, in addition to MOBE and CAPAC, were the Communist Party, U.S.A., W.E.B. DuBois Clubs of America, National Lawyers Guild, Chicago Peace Council, Southern California Peace Action Council, Veterans for Peace in Vietnam, Socialist Workers Party, Young Socialist Alliance, Student Mobilization Committee to End the War in Vietnam, Youth Against War and Fascism, Fifth Avenue Vietnam Peace Parade Committee, Women's Strike for Peace, and the Students for a Democratic Society. There were also in attendance persons representing so-called "GI underground newspapers" which are devoted to disseminating anti-war propaganda and to discrediting U.S. Armed Forces.

A Steering Committee of about 20 to 30 members formed the ruling clique at the Conference. In effect, the Steering Committee was a self-appointed group composed mostly of Communists and radical pacifists with pro-Communist leanings who have participated in MOBE action projects in varying degrees. Members of the Steering Committee with Communist backgrounds included the following: Arnold Johnson, Public Relations Director and legislative representative of the Communist Party, U.S.A. (CPUSA); Irving Sarnoff, who has served as a member of the District Council, Southern California CPUSA; Sidney M. Peck, a former State Committeeman, Wisconsin CPUSA; Dorothy Hayes of the Chicago Branch, Women's International League For Peace and Freedom, who has been identified in sworn testimony in 1965 as a Communist Party member; Sidney Lens (Sidney Okun), leader of the now defunct Revolutionary Workers League; and Fred Halstead, 1968 presidential candidate of the Socialist Workers Party. Moreover, Steering Committee member David Dellinger, MOBE Chairman, declared in a May 1963 speech: "I am a communist, but I am not the Soviet-type communist."

The first day of activity was mainly devoted to speeches by MOBE officials and representatives of various groups. Among those who participated in the deliberations on July 4, 1969, were Jerry Gordon, Chairman, Cleveland Area Peace Action Council; Sidney Peck, MOBE Co-Chairman; Irving Sarnoff, Dellinger, LeRoy Wolins, leader of the Chicago branch, Veterans for Peace in Vietnam; Stewart Meacham, Peace Secretary, American Friends Service Committee; Mark W. Rudd, National Secretary, Students for a Democratic Society (SDS); Bill Ayers, SDS Educations Secretary; Arnold Johnson, of the CPUSA; Jack Spiegel, once a Communist Party candidate for Congress in Illinois; David Hawks, Co-Coordinator, Vietnam Moratorium Committee; Douglas Dowd, New University Conference; and several persons representing Trotskyist organizations. In addition to Peck, Sarnoff and Johnson, Wolins and Spiegel have been identified as members of the Communist Party.

There were a number of other individuals attending the Conference, in addition to those previously identified, who have been closely linked with activities of the Communist Party, U.S.A. or its front apparatuses. Some of these persons were Phil Bart, newly appointed Chairman, Ohio CPUSA; Jay Schaffner, W.E.B. DuBois Clubs of America; Charles Wilson of Chicago; Ishmael Flory, Afro-American Heritage Association; Gene Tournour, National Secretary, W.E.B. DuBois Clubs of America; and Sylvia Kushner, leader of the Chicago Peace Council.

The Conference was well represented by a number of functionaries of the Socialist Workers Party (SWP) and its youth arm, Young Socialist Alliance (YSA). It is noteworthy that the Conference itself was marked by periods of dissension. At the outset of the Conference, it became apparent that the majority of those in attendance were affiliated with numerous anti-war groups operating under the domination of the Trotskyist SWP or YSA.

There were two principal issues at the Conference which were vigorously debated with respect to the nature of Fall anti-war demonstrations. First, the SWP essentially held that a Fall antiwar action should comprise only a massive, legal as well as peaceful march on Washington, with the sole demand of immediate withdrawal of the U.S. Armed Forces from Vietnam. This proposal brought about a split in the Steering Committee; however, it was defeated. David Dellinger and Douglas Dowd presented the majority proposal which called for the Steering Committee's support of a "Washington action" project together with the endorsement of the scheduled "Chicago action" originally planned by SDS for September 27, 1969. Interestingly, the SDS project extended the "Washington action" demand beyond troop withdrawals and advocated civil disobedience as a necessary part of the demonstrations.

Secondly, the other main source of disagreement which occurred at the Conference involved a proposal by SDS National Secretary Mark Rudd to plan the Fall anti-war actions to center around the Marxist-Leninist theme of an "anti-imperialist struggle." The SDS proposal was disapproved by the majority of the delegates who took the position that the Fall demonstrations should concern only the issue of the Vietnam War.

During part of the second and final day of the Conference, the delegates and observers attended workshop sessions which were devoted to the following topics in connection with proposed demonstration tactics: "November Washington Action," "September Chicago Action," "September Washington Action," "August 17 Summer White House Action," "October 15th Vietnam Moratorium," "GI's and Vets," and "Third World."

The plenary session reconvened during the afternoon of July 5, 1969 at which time the Steering Committee introduced a "majority-minority" resolution for approval. The Communist-oriented Guardian of July 12, 1969 stated that the resolution was "vague" and gave "support" to "all factions and covered up all political differences. The resolution said next to nothing about the Chicago demonstration except that negotiations would be held. The unity resolution was accepted with little discussion." The Conference resolution agreed to endorse or assist in organizing a series of anti-Vietnam war action projects commencing during the month of August and terminating with the November 15, 1969 demonstration in Washington, D.C.

The Conference resolution specifically adopted the following actions:

(1) Support a mass march on President Nixon's Summer White House at San Clemente, California on August 17, 1969.

(2) Endorse an enlarged "reading of the war dead" demonstration in Washington, D.C. in early September 1969.

(3) Support plans of the Vietnam Moratorium Committee for a "moratorium on campuses" on October 15, 1969.

(4) Support the September 27, 1969 demonstration in Chicago sponsored by SDS in opposition to the Vietnam War and to protest the trial of "The Conspiracy" scheduled to commence on that day.

(5) Support a "broad mass legal" demonstration around the White House in Washington, D.C. on November 15, 1969 which will include a march and rally in other areas of the city. An associated demonstration will be planned for the same date on the West Coast.

The Conference agreed to form a bicameral organization to effectively launch the Chicago and Washington actions. Two Co-Chairmen and two project directors were designated to be responsible for the Chicago demonstration slated for September 27, 1969. They were: Sidney Lens and Douglas Dowd, Co-Chairman; and Renard (Rennie) C. Davis and Sylvia Kushner, Project Directors. With respect to the Washington action scheduled for November 15, 1969, the Conference selected Sidney Peck and Stewart Meacham to administer that project: Fay Knopp and Abe Bloom were to be Project Directors. In an effort to develop both the Chicago and Washington actions in a related manner, David Dellinger was selected by the Cleveland Conference to be a liaison coordinator between both proposed demonstrations.

The Conference claimed that it selected a "new, broadly-based" National Steering Committee of approximately 30 individuals to "implement the program of action." Prior to adjourning, the Steering Committee adopted a new name for the organization which was to be responsible for planning and directing the Fall demonstrations. It was designated the New Mobilization Committee to End the War in Vietnam. However, in actuality, the MOBE-oriented Steering Committee composed of key MOBE officials, simply decided to drop the name National Mobilization Committee and substitute a new but similar title. Therefore, the New MOBE succeeded the "old" National MOBE with the leadership of the latter remaining virtually intact. The New MOBE has characterized itself as a "new anti-war coalition" which will "carry forward the work of the old National Mobilization Committee" to "affect the inclusion of a wider social base among GI's, high school students, labor, clergy and third world communities." It simply added overt support from the Communist Party and Socialist Workers Party to create a "united front" approach.

Since the staging of the National Anti-War Conference in Cleveland in July 1969, New MOBE has increased the Size of its Steering Committee. It has also instituted a number of organizational changes in planning for the Fall demonstrations. One such change brought about the withdrawal of New MOBE support for the SDS-sponsored Chicago action which was re-scheduled from September 27 to October 11, 1969. New MOBE re-scheduled its Chicago action to October 25, 1969. The reason for this change was the fact that New MOBE leadership felt apprehension over the SDS project which they deemed foolhardy and destined for a collision course with the Chicago Police Department. In effect, New MOBE viewed that its participation in such an "adventurous" project of outright confrontation would be detrimental to both New MOBE and the entire anti-war movement at this time.

An evaluation of the Conference by the Socialist Workers Party provided a revealing insight into the effectiveness of the Conference from a Communist viewpoint. The

SWP declared: "The attendance at the conference, the serious political debate, the program mapped out and the spirited note on which the sessions ended offer every promise that the anti-war movement is on the road to one of the biggest things this country has even seen."

The distinguished Senators and Congressmen, TV commentators, newsmen, columnists, professors and others who have described the Vietnam Moratorium as "responsible dissent" have, in fact, lent Moratorium whatever "responsibility" it has. In most cases, they have acted from the laudable desire for peace but without first checking the facts. They have failed to ask the key question, "What kind of peace?"

North Vietnam's Prime Minister, Pham Van Dong, has no illusions. He knew precisely what he was saying when he addressed his letter in support of the Moratorium to his "Dear American Friends."

FAMILY PLANNING: PUBLIC PRIORITY AND PRIVATE RIGHT—IV

Mr. TYDINGS. Mr. President, I was pleased to learn that the postponed hearings on S. 2108 by the Subcommittee on Health, of the Committee on Labor and Public Welfare, have been rescheduled for December 8 and 9. It is my hope that these hearings, of which the Senator from Missouri (Mr. EAGLETON), will be the chairman, will constitute a major step toward the formulation and implementation of a comprehensive national family planning policy in this country.

As these hearings will undoubtedly show, it is difficult to overemphasize the intimate relation between family size and poverty. This important relationship was convincingly documented in an excellent article written by Arthur A. Campbell, Chief of the Natality Statistics Branch of the U.S. Public Health Service. I ask unanimous consent that the article, entitled "The Role of Family Planning in the Reduction of Poverty," be printed in the RECORD.

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

THE ROLE OF FAMILY PLANNING IN THE REDUCTION OF POVERTY *

(By Arthur A. Campbell **)

The prevention of unwanted births would have a substantial economic impact on families living in poverty. Using conservative assumptions, the costs of family-planning programs are estimated to average $300 to prevent every unwanted birth that would otherwise have occurred. Over the years, however, the avoidance of an unwanted child would save the family an average of $8,000 in the costs of child care. It would also enable couples to add an average of $600 to their annual incomes over a four-year period by making it possible for some of the wives to work. When all of these savings and added earnings are discounted to the year in which the unwanted births were prevented, the total economic benefits average $7,800 for every $300 spent on family-planning services. The ratio of benefits to costs is 26 to 1.

INTRODUCTION

One of the major burdens of the poor is the large number of children dependent on them. In 1966, poor adults of working age (18–64) had over twice as many children to provide for, on the average, as did adults with adequate incomes.[1]

It is clear from survey findings that many couples living in poverty do not want as many children as they have.[2] The degree to which the high fertility of the poor results from restricted access to effective and acceptable methods of contraception is not accurately known, but is undoubtedly large. This is suggested by the widespread acceptance by the poor of family-planning services offered to them through organized public and private programs. Such programs are seen, therefore, as efforts to help poor couples achieve their own family-size goals. They are not considered to be a means of reducing the rate of growth of a segment of the population or of the total population. Their main purpose is simply to offer to poor couples a greater measure of control over a vital element in their own lives.

So far, only a small proportion of poor couples who need help in controlling their fertility have been reached by programs financed by private agencies or by federal, state, and local governments. This paper presents national estimates of the magnitude of the problem of unwanted fertility among the poor and indicates the economic impact that publicly supported family-planning programs may be expected to have on the population living in poverty. Although these estimates are necessarily rough, they are probably sufficient to suggest the dimensions of the problem and of the efforts required to solve it.

The definitions of the "poor" and "near-poor" populations used in this paper are those developed by the Social Security Administration. These definitions take into account the family's total income, the number of people living in the family, whether the family is headed by a man or a woman, and whether or not the family lives on a farm. For example, a nonfarm family of four, headed by a man, is considered to be "poor" if the total family income in 1965 was below $3,200 and "near-poor" if the income was between $3,200 and $4,150.

THE DIMENSIONS OF THE PROBLEM

The statement that the poor have high fertility is, in part, redundant. Because the definition of poverty is based upon both income and number of people in the household, the families designated as "poor" or "near-poor" tend to have more children than other families. This qualification is not intended to discount the importance of high fertility as a factor in perpetuating poverty, but only to draw attention to the fact that the fertility of the poor will always be high, assuming that we continue to use the criterion of family size in defining poverty. Even if the proportion of people designated as "poor" and "near-poor" declines from its current level of 25 percent to 5 percent of the population, that 5 percent will have high fertility—possibly even higher than the fertility of today's 25 percent. Therefore, it would not be appropriate to judge the effectiveness of publicly supported family-planning programs by following trends in the fertility of the population remaining in poverty. In fact, the families remaining in poverty may tend to be those that did not participate in family-planning programs.

The approach taken here is to estimate the recent annual fertility of women of child-bearing age who were counted among the poor and near-poor in March 1966 and then to estimate the extent to which the fertility of these women might have been reduced by offering them effective methods of contraception. However, for the reason stated above, this will not indicate the extent to which the fertility of the women *remaining* in poverty in future years will be reduced. We intend only to contrast the actual recent situation with a hypothetical situation in which women have adequate control of their fertility.

According to the estimates described in Appendix A, poor and near-poor women of child-bearing age (15–44 years) had an average of 153 births per 1,000 women during the six-year period 1960–1965. This compares with a rate of 98 for women in the non-poor population. Inasmuch as the rate of 98 is consistent with an ultimate family size of about three children, on the average, and inasmuch as three is the average number of children wanted by most Americans, regardless of race or economic status,[3] we have assumed that the poor and near-poor would also have a fertility rate of 98 births per 1,000 women *if they had the same access to effective methods of contraception as the non-poor*. In other words, we do not assume that they would avoid all unwanted births, just as the non-poor have not achieved perfect control over the fertility. We are simply assuming that equal access to effective contraception would enable the poor and near-poor to be as successful as the non-poor in avoiding unwanted births. The difference between the actual fertility of the poor and near-poor (153 births per 1,000 women 15–44) and the fertility of the non-poor (98) may, then, be taken as a measure of the "excess" fertility of the poor and near-poor. This amounts to 55 births per 1,000 women 15–44 annually for the period 1960–1965.

Assuming that the rate of excess fertility continued at this level, the 8.2 million poor and near-poor women of reproductive age had approximately 451,000 unwanted births in 1966 that might otherwise have been avoided. This represents 36 percent of all births among the poor and near-poor and 12 percent of all births in the United States. Even granting some degree of inaccuracy in these estimates, it is evident that the problem of unwanted childbearing among the poor is one of major proportions.

Although this may appear to be a high estimate of unwanted childbearing, it seems to be consistent with other evidence. For example, the 1960 survey cited above showed that among white married couples, the combination of low educational attainment and low income resulted in severe excess fertility: if the wife had not gone to high school and if the husband earned less than $4,000 a year, then 39 percent did not want as many children as they already had.[4] In addition to such couples, one would have to consider the higher rates of excess fertility among poor Negro married couples[5] and the high levels of illegitimate fertility among the poor.

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* Research for this paper was carried out April-June, 1967.

** *Arthur A. Campbell, B.A., is Chief, Natality Statistics Branch, National Center for Health Statistics, U.S. Public Health Service.*

[1] These and other estimates of the fertility of the poor, near-poor, and non-poor are derived from special tabulations by the Bureau of the Census from the Current Population Survey for March, 1966. Poverty status has been defined with the use of the Social Security Administration's criteria, which are described in Mollie Orshansky, "Who's Who Among the Poor: A Demographic View of Poverty," *Social Security Bulletin*, (July, 1965).

[2] Pascal K. Whelpton, Arthur A. Campbell, and John E. Patterson, *Fertility and Family Planning in the United States*, Princeton, New Jersey: The Princeton University Press, 1966, p. 243.

[3] Among women interviewed in 1960, white wives wanted an average of 3.3 children, and nonwhite wives wanted an average of 2.9. See *ibid.*, p. 44.

[4] *Ibid.*, p. 248.

[5] *Ibid.*, p. 361–369.

PROBLEMS OF TIMING

The problem of fertility control has two major aspects: the control of child-spacing and the limitation of completed family size. Although major attention has focussed on the problem of large families and excess fertility, as discussed in the preceding section, the problem of adequate child-spacing may be of greater strategic importance for poor couples. Freedman has shown that early childbearing and close spacing of births are serious obstacles in young couples' efforts to improve their economic position.[6] The burden of too many children too soon can be so heavy that the couple never manages to provide adequately for themselves or their children.

Also, the failure to adopt effective fertility-control measures early in marriage may adversely affect the couple's ability to limit the total number of children they eventually have. A 1960 survey showed that among 18–39-year-old white wives with little education (a major component of the poverty group), 32 percent had borne more children than they or their husbands wanted, and half of these (or 15 percent of the total) had failed to use contraception *before* they had more children than they wanted.[7] It is clear from this and other research that it is important to begin efforts to control fertility early in the childbearing period.

The importance of child spacing is emphasized here, because many of the publicly supported family-planning programs now in operation first reach the mother when she is in the hospital to give birth to a child. Although there are many good reasons for taking advantage of the maternity-ward setting, there should be additional programs to reach the potential mother before she has her first child. In a very real sense, it may be more important to delay the first child than to prevent the seventh.

The timing of the first birth is of crucial strategic importance in the lives of young women, because the need to take care of a baby limits severely their ability to take advantage of opportunities that might have changed their lives for the better. In this regard, the problems posed by births to unmarried women are especially serious. The girl who has an illegitimate child at the age of 16 suddenly has 90 percent of her life's script written for her. She will probably drop out of school; even if someone else in her family helps to take care of the baby, she will probably not be able to find a steady job that pays enough to provide for herself and her child; she may feel impelled to marry someone she might not otherwise have chosen. Her life choices are few, and most of them are bad. Had she been able to delay the first child, her prospects might have been quite different, assuming that she would have had opportunities to continue her education, improve her vocational skills, find a job, marry someone she wanted to marry, and have a child when she and her husband were ready for it. Also, the child would have been born under quite different circumstances and might have grown up in a stable family environment.

Although it is not possible to estimate accurately the level of illegitimate fertility among the poor, it appears to be on the order of 16 percent of all births to poor and near-poor women, compared with about two percent for the non-poor. The method of preparing these estimates is presented in Appendix B.

The estimate that 16 percent of the births to the poor and near-poor are illegitimate seems somewhat low in view of other evidence. Data from the Census Bureau's survey of March, 1966, show that among children under 18 who are living with women of reproductive age (in most cases, their mothers) 23 percent are in female-headed households. Not all of these households are headed by unmarried women, but many of them are. (The comparable proportion for children not counted among the poor or near-poor is only three percent.) However, even if 16 percent is a low estimate of illegitimacy for poor and near-poor births, it cannot be very low if the maximum possible estimate is 21 percent, as indicated in Table B–1 at the end of this article.

The proportions illegitimate for the poor and near-poor in Table B–1 are consistent with rates of approximately 68 illegitimate births per 1,000 unmarried women 15–44 years of age annually, compared with eight per 1,000 for women who are not included in either of the poverty groups. This level of illegitimate fertility implies that, among the poor and near-poor, approximately 18 percent of the girls have had an illegitimate birth by the time they reach their twentieth birthday. It should be emphasized that such estimates are based on slim and fragmentary evidence. They are cited simply to suggest the order of magnitude of the problems of fertiltiy control among the poor and near-poor.

FERTILITY-RELATED CHARACTERISTICS OF THE POOR AND NEAR-POOR

In order to estimate the number of persons that might be served in publicly supported family-planning programs, we need some information about characteristics affecting exposure to the risk of conception—particularly, the age and marital status of the women in the childbearing years of life. In addition, it will be necessary to estimate the prevalence of reproductive impairments in the population and the number of women who do not need to use contraception because they are pregnant or trying to conceive.

TABLE 1.—NUMBER OF WOMEN 15 TO 44 YEARS OF AGE, BY AGE AND POVERTY STATUS: UNITED STATES, 1966

Age	Total resident population [1] (July 1, 1966)	Noninstitutional population (March 1966) [2]				
		Total	Poor and near-poor	Poor	Near-poor	Other
Number of women:						
15 to 44	39,512,000	39,076,000	8,208,000	5,657,000	2,551,000	30,868,000
15 to 19	8,806,000	8,605,000	[3] 2,091,000	[3] 1,516,000	[3] 575,000	[3] 6,514,000
20 to 24	6,981,000	6,881,000	1,385,000	920,000	465,000	5,496,000
25 to 29	5,840,000	5,761,000	1,249,000	869,000	380,000	4,512,000
30 to 34	5,527,000	5,510,000	1,264,000	855,000	409,000	4,246,000
35 to 39	5,987,000	5,988,000	1,188,000	797,000	391,000	4,800,000
40 to 44	6,371,000	6,333,000	1,032,000	701,000	331,000	5,301,000
Percent distributions by age:						
15 to 44	100.0	100.0	100.0	100.0	100.0	100.0
15 to 19	22.3	22.0	25.5	26.8	22.5	21.1
20 to 24	17.7	17.6	16.9	16.3	18.2	17.8
25 to 29	14.8	14.7	15.2	15.4	14.9	14.6
30 to 34	14.0	14.1	15.4	15.1	16.0	13.8
35 to 39	15.2	15.3	14.5	14.1	15.3	15.6
40 to 44	16.1	16.2	12.6	12.4	13.0	17.2

[1] U.S. Bureau of the Census, current population reports, series P–25, No. 352, Nov. 18, 1966, p. 15.
[2] Derived from special tabulations by Bureau of the Census from the Current Population Survey for March 1966.
[3] Estimated from tabulations showing age groups 14 to 17 and 18 to 19 for the female population. It was assumed that the proportion of 14 to 17-year-old women who were age 14 was the same in each component of the noninstitutional population as it was in the total resident population: 25.7 percent.

TABLE 2.—ESTIMATED NUMBER OF WOMEN 15–44 YEARS OF AGE, BY MARITAL STATUS AND POVERTY STATUS: UNITED STATES, NONINSTITUTIONAL POPULATION, MARCH 1966

Marital status	Number of women 15–44 [1]					Percent distribution by marital status				
	Total	Poor and near-poor	Poor	Near-poor	Other	Total	Poor and near-poor	Poor	Near-poor	Other
Total	39,076,000	8,208,000	5,657,000	2,551,000	30,868,000	100.0	100.0	100.0	100.0	100.0
Married	26,621,000	5,201,000	3,423,000	1,778,000	21,420,000	68.1	63.4	60.5	69.7	69.4
Husband present	24,735,000	4,122,000	2,528,000	1,594,000	20,613,000	63.3	50.2	44.7	62.5	66.8
Husband absent	1,886,000	1,079,000	895,000	184,000	807,000	4.8	13.1	15.8	7.2	2.6
Separated	1,031,000	601,000	507,000	94,000	430,000	2.6	7.3	9.0	3.7	1.4
Other [2]	855,000	478,000	388,000	90,000	377,000	2.2	5.8	6.9	3.5	1.2
Widowed	382,000	178,000	139,000	39,000	204,000	1.0	2.2	2.5	1.5	.7
Divorced	1,094,000	420,000	326,000	94,000	674,000	2.8	5.1	5.8	3.7	2.2
Never married	10,981,000	2,409,000	1,768,000	641,000	8,572,000	28.1	29.3	31.3	25.1	27.8

[1] Estimated from tabulations showing age groups 14 to 17 and 18 to 44 by marital status and poverty status. It was assumed that the proportion of 14 to 17-year-old women who were age 14 was the same in each component of the noninstitutional population as it was in the total resident population: 25.7 percent. It was also assumed that none of the 14-year-olds was married.
[2] In the total population. 25 percent of the women in this category report a husband who is in the Armed Forces. Comparable data are not available for the population classified by poverty status.

Source: Derived from special tabulations by Bureau of the Census from the current population survey for March 1966.

Table 1 presents estimates of the number of women 15–44 years of age in 1966 for the poor, near-poor, and non-poor. Inasmuch as these estimates relate to the noninstitutional population, comparable data are also shown for the total resident population of the United States, which is used in the computation of age-specific fertility rates for the nation as a whole. The two populations differ by only 1.1 percent.

As these data show, the poor and near-poor populations contain somewhat higher proportions of younger women (ages 15–19) than does the non-poor population of reproductive age. The excess at ages 15–19 in the poverty groups is balanced by a relative deficit at the older childbearing ages, 40–44. These findings are somewhat surprising. In view of the fact that the definitions of the poor and near-poor are selective of women

[6] Ronald Freedman, "Final Project Report, Economic Status, Unemployment, and Family Growth," Social Security Administration Project No. 107–03–043 and continuation Project No. 107(C1)–4–083 (mimeographed).
[7] Whelpton *et al., op. cit.*, p. 248.

with relatively many children, one might have expected a higher proportion of older women in the two poverty groups. However, this is not the case. Instead, as far as their age distributions are concerned, the poor and near-poor have a greater potential for future childbearing than the non-poor.

Table 2 shows the widespread extent of marital instability among the poor and near-poor. The proportion of women in the model marital status for our society (married, husband present) is only 45 percent for the poor, 62 percent for the near-poor, and 67 percent for the non-poor. The proportions of women who have been married but are no longer living with a husband are 24 percent for the poor, 12 percent for the near-poor, and only five percent for the non-poor. Thus, the disruption of marital ties, for whatever reason, is nearly five times as common among the poor as among the non-poor. Poor and near-poor women are more likely to have been widowed, divorced, separated, or simply living apart from their husbands than non-poor women.

It is difficult to judge how the greater marital instability among the poor and near-poor affects their fertility. It may reduce their exposure to sexual intercourse, relative to that among the non-poor. However, the reduced exposure due to smaller proportions married and living with a husband may be compensated for by irregular sexual unions. This conclusion is consistent with the information on illegitimacy presented earlier. On balance, we have no reason to believe that the poor and near-poor have a substantially lower exposure to the risk of conception than the non-poor. It may be somewhat lower, but the difference is probably not great.

Estimates of the proportion of women exposed to the risk of conception in any population are necessarily rough. For present purposes, it has been assumed that all married women are at risk and 50 percent of the unmarried. This yields an estimate of 82 percent of the number of the poor and near-poor women 15–44 years of age. This estimate is intended to include women who are regularly exposed to the risk of conception as well as those who are only occasionally exposed.[8]

The prevalence of sterility among the poor and near-poor is probably similar to that for the general population. This conclusion is based on a review of the evidence for socioeconomic differences in the prevalence of fecundity impairments in a 1960 study of family planning. Although it is true that for white couples the proportion of couples with fecundity impairments is greater among the less educated (who are more likely to be poor and near-poor), it is also true that this proportion is about the same for white and nonwhite couples.[9] For present purposes it was assumed that socioeconomic differences in the prevalence of sterility were too small to affect our estimates substantially. Proportions sterile, by age, were obtained from a smoothed set of percentages developed from the survey data referred to above and applied to the numbers of poor and near-poor women, by age, shown in Table 1. This yielded an estimate of 13 percent sterile.[10]

In our estimate of the need for contraception among the poor and near-poor, we must also deduct an allowance for women who are pregnant or seeking pregnancy. This allowance should be consistent with the desired fertility of the poor, rather than with recent actual fertility, if we want the estimate to reflect the number of women who need contraception. The assumed desired fertility rate of 98 births per 1,000 women 15–44 years of age means that 9.7 percent of the women have a baby during the year (a one-percent allowance has been deducted for women who have twins). Assuming a fetal death rate of 150 fetal deaths per 1,000 pregnancies (this represents, approximately, known fetal deaths, but is probably an underestimate of actual fetal deaths), 11.4 percent of the women were pregnant during the year. Assuming that each pregnancy lasted eight months, on the average (nine months for full-term babies and three months for fetal deaths), then two-thirds of these women were pregnant at any one time during the year and would not be in need of contraceptive services at that time. This gives us an estimate of 7.6 percent who do not need contraceptive services because of pregnancy.

It is difficult to estimate the proportion of women who are trying to get pregnant at any one time, because the time it takes to conceive varies considerably from couple to couple. Consequently, the distribution of conception waits is quite skewed. As a rough approximation, let us assume that it takes an average of six months to conceive (excluding two months for the puerperal period). If 11.4 percent of women become pregnant in any one year (which is consistent with the assumptions in the preceding paragraph), then half that proportion, or 5.7 percent, are trying to get pregnant at any one time and have no need for contraceptive services.

In summary, the allowance for current pregnancies is assumed to be 7.6 percent, and the allowance for women trying to conceive is 5.7 percent. Together, these proportions add to an allowance of 13 percent (rounded) who will not need contraception at any one time because of a desired conception.

The estimates presented in this section have been brought together in Table 3. They show that at any given time, there are nearly 4.6 million women among the poor and near-poor who need contraception.[11] This may be considered a high estimate of the number of women who need to have family-planning services made available to them in public clinics, because some of the couples among the poor and near-poor are able to exercise satisfactory control over their fertility. However, even these couples do not have the same access as the non-poor to the more effective and acceptable methods of contraception, particularly the pill and the loop. So, simply in order to equalize the access of the poor and near-poor to modern methods of contraception under medical supervision, it is appropriate to try to make contraceptive services available to all who may need and want them.

TABLE 3.—ESTIMATED NUMBER OF POOR AND NEAR-POOR WOMEN 15–44 YEARS OF AGE WHO NEED CONTRACEPTIVE SERVICES: UNITED STATES, MARCH 1966

Item	Number of women	Percent
Total	8,208,000	100
Deductions:		
Not exposed to risk	1,477,000	18
Sterile	1,067,000	13
Pregnant or trying to conceive	1,067,000	13
All deductions	3,611,000	44
Remainder who need contraception	4,597,000	56

THE POTENTIAL IMPACT OF FAMILY-PLANNING SERVICES

In order to help poor and near-poor couples avoid 451,000 unwanted births per year, family-planning services would have to be provided for 4,597,000 women, according to the estimates presented in the preceding sections. Thus, for every unwanted birth prevented, contraceptive services would have to be provided for an average of 10.2 women. For the purpose of making rough estimates, it will be sufficient to round this estimate to ten.

How much would this cost? The Planned Parenthood Federation has estimated the costs of subsidized family-planning services at between $20 and $25 per patient per year.[12] As a conservative estimate, we have assumed a higher cost of $30. When multiplied by ten, this gives us an annual estimate of $300 for every unwanted birth avoided.

The prevention of an unwanted birth has two major economic benefits. First, it avoids the cost of providing for an additional child in the family; second, it may enable the po-

[8] The estimate that 50 percent of the unmarried are exposed to the risk of conception is based on the assumption that the monthly risk of conception ("fecundability") for women regularly engaged in intercourse is .2. If the proportion of unmarried women having a birth in any given year is 6.8 percent (see the preceding section of this report), then approximately eight percent were pregnant during the year (allowing for 15-percent fetal wastage). Assuming eight percent pregnant and a fecundability of .2, the proportion of women exposed to the risk of conception must have been at least 8.6 percent, assuming that none of them used contraception. If 60 percent of those engaging in intercourse did use contraception, however, then 12.7 percent must have been engaged in intercourse regularly. If we further assume that sexual union was less regular among the unmarried than the married, the proportion of all unmarried women engaging in intercourse is some multiple of 12.7. If we assume that the frequency of intercourse among unmarried women is only 25 percent of that among married women, then the appropriate multiple is 4. This yields an estimate of 50.8 percent of unmarried women who have intercourse only occasionally. The purpose of elaborating this train of tenuous assumptions is simply to show that we have to make some fairly exaggerated assumptions even in order to arrive at an estimate that 50 percent of the unmarried women have intercourse occasionally. A lower estimate would probably be somewhat more defensible.

[9] Whelpton *et al., op. cit.*, pp. 158 and 352.

[10] This is consistent with the proportion of couples classified as "definitely sterile" and "probably sterile" in the 1960 study cited above. It does not include an allowance for the less severe impairments found among those classified as "possibly sterile" and "possibly fecund" in this study, because the women in these two categories still need contraception, even though their risk of conception is below normal.

[11] This compares with an estimate of 5.3 million women in need of contraception, derived by Planned Parenthood-World Population (PPWP). To arrive at its estimate, PPWP uses the Dryfoos-Polgar formula for estimating community need for family-planning services (described in F. S. Jaffe, "Financing Family Planning Services," *"American Journal of Public Health*, 56:6 (June, 1966), p. 917, footnote 3), as applied to a special tabulation by the Census Bureau of the characteristics of women aged 18–44 living in poverty and near-poverty in March, 1966.

The methods of estimation embodied in the Dryfoos-Polgar formula and in this paper are basically similar, although the assumptions differ. For the purpose of planning services at the present time, when fewer than one million women are being reached by public and private programs, the difference between 4.6 and 5.3 million is not considered serious.

[12] "Family Planning and Infant Mortality: An Analysis of Priorities." A Report by the Department of Program Planning and Development and Department of Research, Planned Parenthood-World Population, New York, June 1967 (mimeographed), p. 4.

tential mother to earn money to supplement the family's income.

The costs of supporting a child vary with the number of children already in a family and the level of support chosen as the criterion of poverty. Using the Social Security Administration's index based on 1965 income for a family of five (husband, wife, and three children), an additional family member adds $470 to the annual income required to avoid being classified as poor, and $605 to avoid being classified as near-poor. In order to present a conservative estimate of the costs of raising a child, we have chosen the lower of these two figures.

The costs avoided by preventing an "excess" birth are avoided not only this year, but also in future years. Therefore, the costs avoided extend throughout the years the child would have been in the home. Assuming that the child would have remained in the home until his eighteenth birthday and assuming that 94.4 percent of the children would survive to that age (an estimate based on nonwhite mortality for 1964), the total amount of money saved for every unwanted birth avoided would be $7,986. In order to represent the economic impact for the year in which the birth was avoided, the annual savings have been discounted at a rate of 4 percent annually for 18 years. This yields an estimate of the $5,617 saved for every $300 spent on family-planning services in any given year. The ratio of the economic benefit to the cost is 18.7 to 1.

As noted earlier, another economic benefit of adequate fertility control is that it makes it possible for the potential mother to spend a longer time earning money to supplement her family's income. Just how many years or months the prevention of an unwanted birth adds to the working life of a woman depends, in part, on the availability of day-care services for her children. If such services are available, an unwanted pregnancy could interrupt the mother's employment for only two months. However, if they are not available, the interruption could last until the child begins school at the age of six. Since such services are not generally available, let us assume that an unwanted pregnancy would make it impossible for the potential mother to work for an average of four additional years. (This estimate is less than the maximum of six to allow for the possibility that some women may have a wanted child during the period when they might have worked.) Let us further assume that 30 percent of the women who avoid an unwanted pregnancy would work. (There is little evidence on which to base this assumption; the proportion is assumed to be lower than the 41 percent of poor female heads of households who worked in 1965.) Using these assumptions, the prevention of 451,000 births would enable 135,000 women to work for four years. If they earned an average of only $2,000 annually (assuming that some work part-time and some work full-time), their earnings would total $8,000 each, or $7,260 when discounted to the first year at a rate of four percent. Since only 30 percent of the women are assumed to work, the additional earnings would average $2,178 per unwanted birth avoided. In this case the economic benefit is 7.3 times greater than the cost of $300 per unwanted birth avoided.

In summary, the economic benefits of each unwanted birth prevented are as follows:

$5,617 avoided expenses for raising a child to age 18.

$2,178 additional earnings for women who were enabled to work.

$7,795 total.

The total economic benefit is 26 times greater than the cost of $300 per unwanted birth prevented.

The necessarily rough estimates are cited simply to show that the economic effects of improved control over fertility are far greater than the cost of providing contraceptive services to the poor. Probably no other type of program could achieve huch a high ratio of benefits to costs. However, it should be noted that these benefits would accrue to a limited number of the poor and near-poor. For example, if it had been possible to prevent the 451,000 "excess" births estimated for 1966, a total of 1,804,000 persons might have been helped, assuming an average family size of four persons (husband, wife, and two children). This is only 3.8 percent of the total number of people counted among the poor and near-poor. Of course, other families would be helped in future years, and the eventual proportion of people benefiting from family-planning services would be much larger than the 3.8 percent affected in any one year. We can estimate the larger proportion very roughly by assuming that women 15–44 years of age continue to be 17 percent of all persons in the poor and near-poor populations, that half of them (or 8.5 percent of the total) would have avoided one or more unwanted children by making use of family-planning services, and that their families eventually included an average of five persons; these assumptions imply that ultimately 42 percent of the population living in poverty would have received the economic and other benefits of family-planning services. Although, this estimate is very rough, it serves to indicate the limitations on the benefits that family-planning programs can reasonably be expected to generate. Although there is a great need for adequate control of fertility among the poor and near-poor, and although family-planning programs represent a highly efficient way of easing the economic distress of the poor, they are not a panacea for poverty.

In addition to the economic effects of adequate fertility control, there are qualitative benefits that may be considered even more important. These are summarized below:

1. If every child is a wanted child, children will be better cared for, both physically and emotionally. In fact, studies by the Department of Health, Education, and Welfare indicate that family planning is the most cost-effective measure available to reduce infant mortality.[13]

2. Mothers will be subjected to lower risks to health if births are not closely spaced.

3. The assurance that another child will not come before it is wanted will help couples plan other aspects of their lives with more confidence. It will reduce the feeling of hopelessness with which many poor people face life.

The above facts are stated with confidence. Improved control of fertility is virtually certain to bring about changes in the directions stated. In addition, there are possible benefits about which only speculative statements may be made, given the present state of knowledge. For example, it seems reasonable to suppose that a healthier emotional environment within the family will reduce problems of school discipline, truancy, and juvenile delinquency. Such benefits are not only speculative, but one step further removed from the presumed cause, improved control of fertility. The above listings, therefore, are confined to the immediate and obvious effects of adequately controlled fertility.

SUMMARY

The estimates presented in this paper indicate that the problem of unwanted childbearing is severe among women living in poverty. Assuming that the levels of fertility estimated for 1960–1965 continued to prevail, the 8.2 million poor and near-poor women of reproductive age had approximately 451,000 unwanted births in 1966 that might have been avoided. This represents 36 percent of all births to poor and near-poor women and 12 percent of all births in the United States. The prevention of unwanted births through the provision of family-planning services would achieve economic benefits that are far greater than the costs of the programs. Very conservative estimates show that the child-care costs avoided by poor families would be at least 19 times higher than the program costs. In addition, the ability to space births as desired would enable more women to work to supplement their families' incomes; the resulting additional income is estimated to be at least seven times greater than the costs of family-planning programs. Altogether, the economic benefits alone would be at least 26 times greater than the program costs. These estimates are necessarily rough, but they are sufficient to reassure us that the task of offering contraceptive services to the poor is worthwhile from a purely economic point of view.

APPENDIX A. METHOD OF ESTIMATING THE FERTILITY OF THE POOR AND NEAR-POOR IN 1960–1965

As a first step in estimating the recent annual fertility of women in poverty in 1966, we estimated the number of births in the six-year period 1960–1965 (approximately) whose survivors were children under six years of age in March, 1966. This was done for three groups of the 1966 population under six: the poor, the near-poor, and all others. Then we estimated the average number of women 15–44 years of age during the period 1960–1965 whose survivors were counted among the poor, near-poor, and all others in 1966. From the estimates of births and women, fertility rates per 1,000 women 15–44 were computed. These calculations were carried out separately for each color group. The results are shown in the top panel of Table A–1.

For our present purposes, the key figure is the estimate of 165 births per 1,000 women 15–44 for the poor and near-poor combined. This estimate of 165 is very probably inflated, because it includes some births in the numerator whose mothers are not represented in the denominator. This is because some of the children counted among the poor and near-poor in 1966 were not living with their mothers and their mothers were not classified as poor or near-poor. This situation occurs, for example, when the mother of an illegitimate child leaves the child with the child's grandmother and finds a job in another city. The mother might be living alone and have an income high enough to keep her out of poverty, while the grandmother and child are both counted among the poor.

We do not know how common this situation is, and we have little basis for estimating its prevalence. However, we do know that in 1966, 37 percent of nonwhite children under 18 were not living with both parents. (Data for the nonwhite population are cited here because a majority of the nonwhite population lives in poverty.) Let us assume that the proportion is somewhat smaller for poor and near-poor children under six years of age: say, 25 percent. Let us further assume that the most common situation represented by this proportion is the absence of the father: say, in 70 percent of the cases. Then, 30 percent of 25 percent, or 7.5 percent of the children under six, are not living with their mothers. Therefore, the numerator of the fertility rate of 165 is inflated by 7.5 percent and should be reduced by this proportion in order to represent more adequately the fertility of women currently classified as poor and non-poor. The implications of this adjustment are shown in the second panel of Table A–1.

APPENDIX B. METHOD OF ESTIMATING THE PROPORTION OF ILLEGITIMATE BIRTHS TO POOR AND NEAR-POOR WOMEN DURING 1960–1965

Although it is not possible to estimate accurately the level of illegitimate fertility among the poor, we can set some reasonable limits with the use of national data on illegitimate births by color. As a minimum, let us assume that the proportion of white and

[13] *Ibid.*, p. 9.

nonwhite births in 1960–1965 that were illegitimate was the same for the poor and near-poor as for the nation as a whole: 3.0 percent for white births and 23.4 percent for nonwhite births. This assumption yields 10.1 percent illegitimate for the poor and near-poor combined. As a maximum, let us assume that all of the illegitimate births in the country occurred to poor and near-poor women; this would mean that 21.2 percent of their births were illegitimate. To obtain a medium estimate between these two extremes, we assumed that the proportion of poor and near-poor births that were illegitimate was the average of the minimum and maximum estimates for each color group. This yielded an estimate of 15.7 percent illegitimate for the poor and near-poor, or an average of 189,000 births annually for 1960–1965. Details of the estimating procedure are shown in Table B–1.

TABLE A–1.—ESTIMATED FERTILITY DURING 1960–65 OF WOMEN INCLUDED AMONG THE POOR AND NEAR-POOR IN MARCH 1966, BY COLOR: UNITED STATES

Poverty status	Average annual number of births, 1960–65 [1]			Average number of women 15 to 44, 1960–65 [2]			Average annual fertility rate, 1960–65		
	Total	White	Nonwhite	Total	White	Nonwhite	Total	White	Nonwhite
Preliminary estimates, consistent with observed number of children under 6 years of age in March 1966									
Total	4,097,000	3,440,000	657,000	37,394,000	32,899,000	4,495,000	109.6	104.6	146.2
Poor and near-poor	1,304,000	844,000	460,000	7,900,000	5,544,000	2,356,000	165.1	152.2	195.2
Poor	896,000	527,000	369,000	5,457,000	3,624,000	1,833,000	164.2	145.4	201.3
Near-poor	408,000	317,000	91,000	2,443,000	1,920,000	523,000	167.0	165.1	174.1
Other	2,793,000	2,596,000	197,000	29,494,000	27,355,000	2,139,000	94.7	94.9	92.1
Revised estimates, assuming that 7.5 percent of the poor and near-poor children have mothers who were not included among the poor and near-poor in March 1966									
Total	4,097,000	3,440,000	657,000	37,394,000	32,899,000	4,495,000	109.6	104.6	146.2
Poor and near-poor	1,205,000	780,000	425,000	7,900,000	5,544,000	2,356,000	152.5	140.7	180.4
Poor	828,000	487,000	341,000	5,457,000	3,624,000	1,833,000	151.7	134.4	186.0
Near-poor	377,000	293,000	84,000	2,443,000	1,920,000	523,000	154.3	152.6	160.6
Other	2,892,000	2,660,000	232,000	29,494,000	27,355,000	2,139,000	98.1	97.2	108.5

[1] Derived from the number of children under 6 years of age in March 1966, assuming that births during the preceding 6 years had been subjected to the same mortality rates, by color, as those observed for 1964. This implied that the proportion of births surviving to ages under 6 in March 1966, was 97.7 percent for white infants and 95.6 percent for nonwhite infants. The resulting preliminary estimates of birth were reduced by 1 percent to force them to agree with national totals, by color.

[2] These estimates are consistent with the average number of women 15 to 44 years of age, by color, in the total resident population of the United States during 1960–65 (computed by averaging estimates for April 1960, and July 1966, published in Current Population Reports, Series P–25, No. 352). These totals for white and nonwhite women were distributed by poverty status according to the distribution for white and nonwhite women 14 to 44 years of age in March 1966.

Source: Derived from special tabulations by Bureau of the Census from the current population survey for March 1966.

TABLE B–1.—ESTIMATES OF ILLEGITIMATE BIRTHS DURING 1960–65 FOR WOMEN INCLUDED AMONG THE POOR AND NEAR-POOR IN MARCH 1966, BY COLOR: UNITED STATES

Poverty status	Medium [1] estimate			Minimum [2] estimate			Maximum [3] estimate		
	Total	White	Nonwhite	Total	White	Nonwhite	Total		Nonwhite
Average annual number of illegitimate births									
Total	256,000	102,000	154,000	256,000	102,000	154,000	256,000	102,000	154,000
Poor and near-poor	189,000	63,000	126,000	122,000	23,000	99,000	256,000	102,000	154,000
Other	67,000	39,000	28,000	134,000	79,000	55,000			
Percent of births that are illegitimate									
Total	6.2	3.0	23.4	6.2	3.0	23.4	6.2	3.0	23.4
Poor and near-poor	15.7	8.1	29.6	10.1	3.0	23.4	21.2	13.1	36.2
Other	2.3	1.5	12.1	4.6	3.0	23.4			

[1] Average of minimum and maximum estimates.

[2] Assuming that all groups have the same proportions illegitimate, by color.

[3] Assuming that all illegitimate births occur to poor and near-poor women.

INEQUITIES AND MISMANAGEMENT OF OEO PROGRAMS

Mr. COOK. Mr. President, the Columbus, Ohio, Dispatch recently published a very interesting article, written by its Washington bureau chief, Roulhac Hamilton, concerning a recent encounter by the Governor of my State of Kentucky with the House Committee on Education and Labor.

Gov. Louie B. Nunn had come to testify about the inequities and mismanagement of the programs of the Office of Economic Opportunity as he had experienced them.

However, when he arrived he discovered that discussion of the bill had already been completed in committee. Expressing his frustration, as only he could, Governor Nunn said:

I feel somewhat like a man who has been condemned to death and then is allowed to present evidence in his behalf only after the jury has rendered its verdict.

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:

ANTI-POVERTY FIGHT LOOMS AFTER HEARING

(By Roulhac Hamilton)

WASHINGTON.—It was one of the most unusual performances in the history of congressional committee hearings—and it may turn what already promised to be a furious floor fight in the House into perhaps the most bruising battle of this session.

"It" was the appearance before the House Education and Labor Committee last Thursday of Kentucky's Republican Gov. Louis B. Nunn with a bagful of documented charges of political and moral corruption and waste in the anti-poverty program's operations.

What made the performance one of rarity was that education chairman Carl Perkins, D-Ky., after having scheduled his home state's governor for a 1 p.m. hearing had ramrodded through the committee at a morning session the anti-poverty program Bill Nunn had come to oppose.

"I feel somewhat like a man who has been condemned to death and then is allowed to present evidence in his behalf only after the jury has rendered its verdict," was the way Nunn put it as he opened his testimony opposing the already-approved bill.

But while Nunn's charges of corruption, favoritism, waste and mismanagement in anti-poverty programs in the Blue Grass State did indeed come too late to affect the committee's action in reporting extension of the anti-poverty program, his appearance was not a wasted effort.

The poverty bill had been locked in the Perkins committee since June while the chairman, ostensibly seeking Republican support for extension of the program without change as requested by the Nixon administration, actually sought to put down a bipartisan demand within the committee for wholesale revision and reorientation of the war on poverty.

But with Nunn about to appear in opposition—armed with what Perkins knew would be plenty of ammunition in the way of

provable charges—the chairman managed to rush the bill to the floor.

He did so, knowing that his committee opponents—led by influential Rep. Edith Green, D.-Ore., a skilled gut-fighter in floor battles, and Rep. William J. Scherle, R.-Iowa—would wage a real fight on the floor to amend the bill to suit themselves, and probably would succeed.

Apparently, Perkins thought he had cut the ground from beneath Nunn by ramming the long-delayed bill through so hastily after scheduling the governor's testimony. But the Perkin's tactic may well have backfired.

Nunn is nothing if not a showman, and he knows how to present his case to its best advantage. In addition, he and his staff had done their homework.

The governor presented a forceful complaint about the manner in which the poverty program had been operated in his state (and presumably in others). But he didn't rest there—there were briefcases bulging with affidavits from people "inside" the program's Kentucky machinery. They attested to misfeasance and malfeasance, and were accompanied by photographs demonstrating that bridges and access roads had been built with anti-poverty funds to the homes of oil-well and yacht owners and with other affidavits showing threats, some implemented by bombs, against those who would criticize the program.

The Governor also had some facts and figures showing that maybe 80 per cent of poverty program funds went to salaries and administration—with only about 20 per cent having any direct bearing on the poor. And in this connection, he demonstrated that Chairman Perkins' own congressional district got the lion's share of the anti-poverty funds allocated to Kentucky—although the district of Rep. Tim Lee Carter was by far the most poverty-stricken.

Nunn's testimony is the stuff of which ammunition can be made by the likes of Edith Green and Bill Scherle when they launch their efforts to transfer control of anti-poverty operations from the federal government to the states and local governments.

THE AFTERMATH OF HURRICANE CAMILLE

Mr. MUSKIE. Mr. President, last week I joined with the junior Senator from Indiana (Mr. BAYH) in a letter to the senior Senator from West Virginia (Mr. RANDOLPH) in which we asked him, as chairman of the Committee on Public Works, to schedule hearings in Mississippi and in Washington on the inadequacy of the implementation of Federal disaster relief and the serious consequences of that inadequacy in Mississippi in the wake of Hurricane Camille. I wrote a separate letter to the distinguished chairman in which I raised serious questions concerning the administration of disaster relief in Mississippi.

The chairman responded immediately and has announced that hearings will take place in Mississippi during the first week in January. This prompt decision on his part reflects his strong commitment to effective and just relief assistance to the victims of Hurricane Camille and other natural disasters.

Today, the American Friends Service Committee and the Southern Regional Council released a report entitled "In the Wake of Hurricane Camille: An Analysis of the Federal Response." The report is a well-researched discussion of the inadequacies of the Federal Government's performance since the tragic events of August 18. The report contains serious allegations of weakness and inequities in the administration of disaster relief, and I hope that the hearings to be held in January by the Committee on Public Works will thoroughly investigate these allegations.

I ask unanimous consent that the letters and the report to which I have referred be printed in the RECORD.

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

NOVEMBER 19, 1969.

Hon. JENNINGS RANDOLPH,
Chairman, Senate Committee on Public Works.

DEAR MR. CHAIRMAN: We have received your recent memorandum suggesting the formation of a Special Subcommittee on Disaster Relief in the Public Works Committee. This is an excellent proposal, and we hope that you will appoint the Subcommittee at your earliest opportunity.

We also hope that the first series of hearings held by this Subcommittee will focus on some serious inadequacies in the implementation of Federal disaster relief and the acute consequences of those inadequacies in the several months since Hurricane Camille struck the Gulf Coast.

Several aspects of the implementation of Federal disaster relief deserve the immediate attention of the Special Subcommittee:

(1) There appears to be no national minimum standard of disaster relief by which the adequacy of Federal assistance can be measured.

(2) The level of Federal assistance to individuals is often determined by pre-disaster income levels. In many instances, the practice of the Small Business Administration has been that it will grant loans for the reconstruction of private homes only to people who can demonstrate an ability to repay and will not grant a loan if the home to be built exceeds the value of the homes which were destroyed. Such a policy is inconsistent with efforts to improve the living conditions in a disaster area.

(3) Although the Federal government is prepared to meet the immediate needs of physical reconstruction after a disaster, it often delegates the care of individuals to agencies such as the Red Cross and exercises little control over their performance. The Red Cross, which handles virtually all personal disaster relief, seems to regard its responsibilities as limited to aiding each family in accordance with its earlier circumstances, regardless of the artificial differentiation which that policy implies between the basic needs of the rich and the poor.

As you stated in your memorandum, the Senate conferees believed that there was significant unfinished business remaining from the consideration of this year's legislation. We hope that the hearings which we have suggested will provide an immediate opportunity for the consideration of those issues.

We know that you are as concerned as we are that Federal disaster relief activities be committed to the improvement of the lives of all the people in a disaster area.

Therefore, we hope that the Special Subcommittee which you have proposed will be formed as soon as possible, and that hearings regarding the problems which we have outlined in this letter will be its first order of business.

Sincerely,

BIRCH BAYH,
EDMUND S. MUSKIE.

NOVEMBER 19, 1969.

Hon. JENNINGS RANDOLPH,
Chairman, Senate Committee on Public Works.

DEAR JENNINGS: Senator Birch Bayh and I have written you today in reference to your recent memorandum to the members of the Committee on Public Works. We have strongly endorsed your proposal that a Special Subcommittee on Disaster Relief be created in the Committee, and we have requested that its first order of business be hearings on the adequacy of the implementation of Federal disaster relief in general and the consequences of that inadequacy in the wake of Hurricane Camille.

In addition to the general questions raised in our letter regarding the basic implementation policies of Federal disaster relief, I would like to call attention to some serious questions which have been raised relative to the relief activities in Mississippi in the wake of Hurricane Camille:

(1) There are serious allegations that the administrators of the relief programs in Mississippi have been oblivious to the needs of the poor in the Gulf Coast area. There are also serious allegations that relief efforts have been distorted by discriminatory practices, to the detriment of residents in the area and in violation of prohibitions against such practices in the administration of Federal and Federally aided programs.

(2) There are allegations that the Governor's Emergency Committee is Mississippi, which has been delegated the administration of $50 to $60 million in Federal funds for disaster relief grants and loans does not have any relationship to units of government in the disaster area, is not representative of the residents of the area and has made little effort to determine the views of those residents.

(3) According to reports from the area, the Department of Housing and Urban Development has based its distribution of trailers for emergency housing in Mississippi on policies which seriously limit the access of the poor to the housing on equal terms. Although HUD has the authority to make all emergency housing rent-free, it requires the poor to pay up to 25 percent of their monthly income for rent. Furthermore, HUD has stipulated that applicants must own or obtain a one-year lease for a lot for the trailer, that utilities will be provided by the tenant, and that trailers will be assigned to family units only.

The foregoing allegations raise serious questions as to the effectiveness of the Federal disaster relief program in Mississippi. I hope they can be examined in any hearings which consider the general implementation of Federal disaster relief.

Sincerely,

EDMUND S. MUSKIE.

NOVEMBER 20, 1969.

Hon. EDMUND S. MUSKIE,
Hon. BIRCH BAYH.

DEAR ED AND BIRCH: Thank you for your letter of Wednesday, November 19, 1969 expressing your approval of my proposal to create a Special Subcommittee on Disaster Relief. I am fully in accord with your observations regarding the need for prompt action in connection with the unfinished disaster relief legislation pending before the Committee. It is necessary for us to fully examine the Federal effort in disaster relief work to insure that programs we have enacted in the past are bringing the proper kinds and levels of assistance to those who suffer catastrophic personal and business losses as result of natural disasters.

I believe that hearings in the field as well as in Washington will be vital to our understanding of how the Federal Agencies are responding to their responsibilities under the various statutes which have been enacted. This is so especially with respect to P.L. 91–79 which was approved in part because of the ravages of Camille.

Whether or not the Special Subcommittee is established, the Committee on Public Works will hold hearings on this subject in Mississippi probably during the week of January 5, 1970. I will ask that you, Birch,

chair those hearings as you have chaired our Committee hearings on disaster relief in the past. Of course, Ed, any assistance which you can render in connection with these hearings will be appreciated.

With warmest personal regards,

Truly,

JENNINGS RANDOLPH.

NOVEMBER 20, 1969.

Hon. EDMUND S. MUSKIE,

DEAR ED: Thanks for your letter supplementing the joint communication from you and Senator Bayh. Since he will be responsible for conducting the Committee hearings on the subject of disaster relief and the Federal response to Camille, I am forwarding your letter to him so that it can be made part of his record for the forthcoming hearings, which I believe are very necessary and very important.

With warm personal regards,

Truly,

JENNINGS RANDOLPH.

IN THE WAKE OF HURRICANE CAMILLE: AN ANALYSIS OF THE FEDERAL RESPONSE

(By the American Friends Service Committee, the Southern Regional Council)

THIS SURVEY: WHY?

Americans have a reputation for a warm and ready response to the victims of floods, hurricanes, tornadoes and earthquakes. When such disasters strike, clothes, food and funds pour out to the suffering people from communities across the land.

The immediate response last August to the victims of vicious Hurricane Camille reflected those generous and humane qualities. Camille was a storm of unprecedented force, with winds that traveled 200 miles an hour and waves that reached over 30 feet. As she hit the Gulf Coast areas of Louisiana, Mississippi and Alabama, she killed at least 250 people and brought immeasurable suffering and loss to hundreds of thousands more. There was a nationwide outpouring of material aid and offers of assistance to Camille's victims. Observers present in the immediate wake of the storm witnessed countless acts of heroism and service on the part of private citizens and public officials. The magnitude of the federal effort in reaction to the devastation of Camille was probably unprecedented.

Despite all this human concern and these vast resources, our national response to the victims of Camille was, and continues to be, sadly inadequate. There were serious inequities in the immediate relief of suffering and there are now serious weaknesses in the planning for long range reconstruction of the areas affected.

Why? Why, with the immediate concern, resources and open-handed response to need, should a coalition of Mississippi anti-poverty and civic action groups have to report one month after Camille struck that "many people on the Gulf Coast are still surviving in squalid conditions, doubling up in neighbor's houses which are damaged and which lack adequate sanitation facilities" and that for lack of adequate information about their rights many people were being victimized by unscrupulous land development speculators and contractors?

And why, one month later still, should the same group of local citizens have to telegraph the Red Cross about lack of adequate relief services for poor people?

Why should a team of private agency observers report that as of late September significant numbers of people in the nine or ten county area of Mississippi affected by the storm were still suffering from inadequate access to food or facilities where food could be prepared or stored; a lack of adequate transportation and communication; a serious lack of knowledge about where to go among the maze of private and public agencies purporting to help families and individuals and an excess of rumors regarding food, housing loans, and other forms of help—rumors which tended to deter people from finding solutions to their problems?

The American Friends Service Committee and the Southern Regional Council; with important assistance from staff of the NAACP Legal Defense and Educational Fund and many individuals and organizations in Mississippi, searched for answers to these questions. The report which follows is a summary of our major findings and recommendations. It is our hope that a penetrating look at the response to Hurricane Camille may bring additional action now to meet continuing urgent needs and that it may also bring some further understanding of what lies behind the nation's inability to cope well with the consequences of such disasters.

Our release of this report is based on the expectation of enlightened responsiveness from those who control the resources needed to solve the real and painful problems found in the aftermath of a disaster such as Camille.

In the week following Hurricane Camille, we sent a lone observer, familiar with the area, on a trip across the Gulf Coast and into some of the inland towns. On the basis of his report, we queried federal officials as to the exact nature of their responsibilities and about the resources available for meeting some of the needs described. In mid-September, a team of four spent three weeks in the affected area—primarily in Mississippi, but also in neighboring states hit by the hurricane. They travelled 2500 miles, interviewed 250 people, including private citizens—rich and poor, black and white—public officials, community leaders, and organization representatives. Their work was supplemented by a special effort in Washington, manned by two professionals, one loaned by the Washington Research Project. In October, one of the original Mississippi team members returned to the Gulf Coast so that our information and observations could be kept fresh.

Our focus has been on the response of government and those private agencies with which it shares responsibilities. The federal government is the major force in the nation's response to natural disasters. It has the capacity and responsibility to mobilize massive resources quickly. We studied the policies and organization behind the federal operations in relation to Hurricane Camille and we sought to isolate the factors responsible for continued and widespread dissatisfaction on the part of the victims of that hurricane.

The documentation of specific complaints in the crisis following such events as hurricanes is extremely difficult, but given the persistence and consistency of such complaints, and taking into account the unsolved problems of racial and economic exclusion in communities to which natural disasters often come, the probability of the basic validity of the complaints is high.

It is undeniable that the way society is organized to deal with critical community problems in normal situations will influence its style and capacity in dealing with a crisis, as a result of which the usual, unsolved and already critical problems are made worse. But for precisely this reason, disaster personnel might be expected to develop unusual sensitivity and new capacities to reach out to those who—already "stricken" in their normal lives by the man-made disasters of poverty and denial of rights and opportunity—suffer terribly when natural disaster strikes them also.

The on-going work of the AFSC and the SRC concerns the man-made disasters, those which result from man's inhumanity to man. Although the AFSC does have considerable experience in relief work abroad, the Committee and the SRC issue this report against a background of work designed to achieve social and economic justice in this country. We also carried on our explorations and wrote this report against a background of considerable experience over the past decade or more in the region hit by Hurricane Camille.

Most importantly, we conducted our investigations and have written this report out of a concern for the people caught in the misery of the aftermath of disaster. Such a concern does not exclude anyone—rich or poor, black or white. In Mississippi we found a tragic number of "new poor", families who formerly had marginal or middle incomes, and who were suddenly made poor when their possessions were wiped out. Many may never recover their security.

Our concern with people does not deny the importance of rebuilding roads and bridges and businesses, for we know that people must travel to jobs, to schools, to welfare offices and hospitals, and we know there must be jobs again. But in Mississippi, we found inordinate concern with the "suffering of people, who needed and still need, sensitive help in putting the pieces of their lives together again."

And finally, our concern for people leads us vigorously to support those Mississippi leaders who are insisting that the voices of the black and the poor be heard in the planning for building anew where Camille has destroyed. Indeed, the opportunity to build freshly, abandoning the old patterns of exclusion which have so hampered the development of the area, could be the one bright side to the horror of the aftermath of Camille.

THE GOALS OF FEDERAL DISASTER PROGRAMS: PHYSICAL RECONSTRUCTION AND ECONOMIC RECOVERY

For all practical purposes, the thrust of federal disaster aid is in the direction of physical reconstruction and economic recovery—necessary, but certainly insufficient aims of public policy. Though no one would minimize the importance of this kind of dealing "with things and not with people", it clearly leaves thousands of disaster victims exposed to misery from which they should be protected.

The Office of Emergency Preparedness. Marshalling the nation's resources in response to a major natural disaster is primarily the function of a single federal agency, the Office of Emergency Preparedness (OEP), which is in the Executive Office of the President. Public Law 81-875, the Disaster Relief Act of 1966, and various executive orders assign OEP exclusive power to "plan and coordinate all Federal programs providing assistance to persons, business concerns, and entities suffering loss as the result of a major disaster" and "to direct any Federal agency to utilize its available personnel, equipment, supplies and facilities." OEP is also the agency which administers the President's disaster relief fund and the sole agency through which state governors request emergency disaster aid. As a measure of OEP's responsibility in the Camille disaster, government officials estimated in early November 1969 that Mississippi alone would receive between $50 and $60 million from all federal sources, including $6 million from the President's relief fund.[1]

Despite the magnitude of problems caused by natural disasters, and especially those with the destructive fury of Camille, natural disaster relief is only a minor part of OEP's responsibility. The agency is principally assigned to prepare the nation for the consequences of armed military attack upon the civilian population. It is concerned with strategic materials stockpiling, establishment of emergency governments ("the national defense executive reserve"), civil defense coor-

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[1] New authority was granted to federal agencies by the Disaster Relief Act of 1969, signed on October 1, after Camille struck.

dination, public facilities, reconstruction, economic stabilization, wartime censorship, and other programs needed for the nonmilitary preparation of a nation attacked. Though its duties in natural disasters are described in the statutes cited above, its main responsibilities are detailed in the Defense Production Act of 1950, the Civil Defense Act of 1950, and implementing executive orders. It is now headed by a retired military official, Brigadier General George A. Lincoln.

OEP's responsibility for civilian defense, with its emphasis on physical and structural preparedness, significantly colors its approach to natural disasters. The agency views its prime responsibilities in natural calamities to be those providing for physical reconstruction of public facilities, debris clearance, and aid to governments. This is made explicit in OEP's "Federal Disaster Handbook for Government Officials." Here, OEP indicates that individual needs will be met primarily by the American National Red Cross, while explaining that "Federal agencies deal primarily with States and local governments. . . ." To a limited degree this approach is understandable because these obligations are most explicitly defined in the law (P.L. 81–875). Nevertheless, the general leadership responsibilities of OEP are essential to a balanced federal approach to disaster relief and recovery which takes into account both human and physical dilemmas. To date, however, the agency has severely circumscribed its own activities under its general leadership mandate: it is geared to deal with objects and not people, governments and not individuals, systems and not persons. In an interview with our staff, Mr. George Hastings, specially assigned disaster chief for the Camille area on the Gulf Coast, summarized this view when he stated, "We deal with things and not with people."

The Governor's Emergency Council

The primary state body in Mississippi concerned with recovery from Camille is the Governor's Emergency Council. It suffers from another serious shortcoming, an overriding emphasis on economic recovery. The Council was created by Governor John Bell Williams on September 6, 1969 "to make an immediate determination of all factors that relate to the long range development of the affected area," to explore all avenues of assistance, and "to recommend a comprehensive plan for the accomplishment of the maximum long range development of the area's recreational, cultural, and economic life."

The Council is supported by a $495,000 grant from the Economic Development Administration in the U.S. Department of Commerce. Local matching requirements have been waived. Its ten members were appointed by the Governor and are all white and all bankers, lawyers, or businessmen. Only three members live on the Gulf Coast. One is a banker, one a boat and barge company owner, and one a real estate man. With one major exception, the Council has not been involved in immediate, human needs on the coast and other hard-hit areas. It has instead concentrated on such development items as the creation of a uniform building code for the coast communities. (The ultimate objective appears to be the creation of a single metropolitan government along the coast and the construction of a recreational and resort area similar to Miami Beach, Florida.) Nevertheless, disregarding the all-white, non-representative, single-interest character of the Council, the President on September 16 ordered all federal agencies giving disaster aid to Mississippi to "coordinate through" this body.

NEGLECTED HUMAN ASPECTS OF RECOVERY IN FEDERAL DISASTER PROGRAMS

The failure of OEP to meet its leadership responsibilities in the area of individual human care and the preoccupation of the Emergency Council with economic recovery, has left a vacuum into which rumor, insensitivity, confusion and misdirection have rushed. There is no government-wide plan by which the dimensions of human need are measured after a natural catastrophe occurs. In addition, there are no apparent standards by which OEP can gauge the adequacy of services provided by other federal agencies.

Outreach and Communication. In the aftermath of Camille, there was systematic analysis of destruction of public facilities, but no comparable affirmative federal action to measure accurately the extent of human suffering and disruption. For example, OEP might have taken advantage of the grassroots outreach potential of the Office of Economic Opportunity (OEO) in assessing human needs. Furthermore, OEP apparently ignored OEO's recommendations concerning human need submitted less than three weeks after the hurricane.

For the most part, human beings who had been physically and mentally disoriented by the awesomeness of a violent storm were required to come to federal offices and describe the extent of their own plight. The locations of these loan and aid dispensing offices were not prominently indicated nor sufficiently advertised. Policy guidelines regarding available assistance were not laid down quickly nor made public in *clear* and *understandable* terms until, as we point out later, more than two months after the hurricane struck. And even then no *affirmative* effort was made to put the information in the hands of the people whom they might especially concern. Informational flyers were not distributed widely; sound trucks did not travel the back roads nor reach the trailer camps; outreach workers were not extensively employed to seek out those who might need assistance.

This is certainly an ineffective way for the government to comprehend the extent to which a natural disaster has caused hunger, homelessness, mental and physical illness, confusion, and unemployment in a large geographic area serviced by relatively few emergency aid offices. It is difficult to understand why an official agency is willing affirmatively to take steps to measure the extent of physical loss, yet is reluctant to do so for human loss. The remainder of this section describes specific areas in which there has been failure to concentrate on human needs.

HUD and emergency housing

Our experience during the Camille disaster has been that the Department of Housing and Urban Development (HUD) has been highly insensitive to human problems. We can only describe the involvement of this agency in disaster relief as "reluctant." When the hurricane struck, HUD was unprepared to meet its responsibility to provide emergency temporary housing for storm victims.[2] When the need for emergency housing became apparent, HUD acted quickly to arrange for private manufacture and distribution of mobile homes, but its management of the program has led to great confusion and often public unwillingness to apply for the benefits. In Mississippi alone there were about 4,000 homes destroyed and 12,000 which received major damage, yet applications have never exceeded one third of this total. A general policy outlining the terms of tenancy (whether you have to pay rent, how much you pay, who pays what for utilities and hook-up, how long you can stay, etc.) was not released until October 17, two months after the storm struck. For 60 days after Camille swept the area, those assigned trailers signed a lease which left blank the spaces dealing with amount, if any, of rent.

Rumors spread rapidly in this information void. One couple, for example, told our field staff they would not apply because they heard they would have to pay $85 per month rent plus $150 for utility hook-up. Though many such rumors were not based on fact, the confusion of local HUD representatives in the absence of clear guidance from Washington only heightened speculation. Moreover, HUD originally intended to stop receiving applications for housing by October 10—before their explanatory policy came out—and when we asked HUD officials to extend this deadline because of the local misunderstandings about the program, they responded that they were "unsympathetic" to anyone who had failed to apply. (The deadline was extended 30 days due to last-minute interventions by Senators Hugh Scott, Charles Percy, and Edward Brooke.)

In addition, the tenancy agreement finally announced by HUD allowed for only 90 days free rent instead of the one year permitted by law; no special attempts were made to secure trailers for off-shore counties hit hard by the storm (by late October, only 16 trailers had been delivered to these counties); and, in general, the delivery of trailers has been seriously behind schedule.

CONSUMER PROTECTION

The general area of consumer protection is also one where the absence of government aid has led to aggravated suffering by victims. Perhaps the most widespread and dramatic example has been in the settling of insurance claims on destroyed homes and property. Private insurance companies dispatched approximately 600 extra insurance adjusters to the hurricane area to settle claims as quickly as possible. In many cases, these claims are being settled for 10%–30% of the face value of the insurance contracts, a situation which takes advantage of the victim's desperate need for a short case. Moreover, many claims have been either denied or reduced on the contention of the insurance firms that damages have been caused by water (not covered by homeowner policies) and not by wind. For example, our team was told by one man that the roof of his house had been blown off and the interior of his house had *then* been flooded by rain; he got $1,000 for his roof.

The general insurance situation has caused great public complaint, yet there has been no evidence of government presence to protect consumers. It is especially important because the devastation of the storm has, in effect, created a class of "new poor", people in marginal or middle income circumstances before the storm who suffered so much economically that they are heavily dependent on whatever insurance coverage they had for recovery. The failure of state insurance regulatory officials to protect victims has caused a local scandal and has led to a county grand jury indictment of the state insurance commissioner. (One local employee of the state agency reported to our staff that it was their job to "pacify the people.")

What is distressing in these circumstances is that information could be developed to help hurricane victims if there was interest to do so. The Weather Bureau, for example, hired one of the world's leading atmospheric meteorologists to analyse the nature of the storm immediately after it hit. Our staff interviewed him while he was preparing his report. He was impressed with what he called "the tornado-like" ferocity of the storm, and indicated that there was clearly widespread and heavy wind damage in all areas except those immediately adjacent to the shoreline. Information like this could be extremely

[2] (Though a 1962 Executive Order on emergency preparedness required the Housing and Home Finance Agency, HUD's housing assistance predecessor, to "develop plans for the construction and management of emergency housing. . . ." Though this was an order primarily concerned with armed attack, any plans made presumably would have been effective for natural disasters as well.)

beneficial to storm victims were someone in the federal (or state) government watching out for their interests.[3]

CLASS AND CARE

An argument is made by some advocates of the present federal disaster policy that disasters usually hit middle-income people harder than the poor. This is unfounded. Undoubtedly, a family with considerable income and substantial real and personal property is more likely to suffer a greater dollar loss than a poor family in the same disaster area. But actual dollar loss tells very little about the hardship which a disaster brings to an individual family. Much more important is the human need which the losses formerly fulfilled. For example, the poor family who loses a $5,000 house is likely to suffer more than a family who loses a $30,000 house. Though neither family has a place to live, the poor family will in all likelihood be less able to recover. In most cases, the wealthier family will have supplemental assets, including insurance, to help it to full recovery. Humane systems of disaster aid would take into account actual need and not only dollar losses.

The demographic characteristics of the Mississippi coast counties, and especially those more inland, mark them unmistakenly as poor, significantly black, and undereducated. (See appendix.) Yet, the federal government and private agencies to which it has delegated disaster responsibilities have dispensed assistance as if they were dealing with wealthy suburbs.

Federal aid to individuals

OEP's Disaster Handbook indicates that individuals should get assistance from either private agencies or one of the following federal agencies which give loans: the Small Business Administration, Farmers Home Administration, Federal Housing Administration, and Veterans Administration. Federal disaster aid, therefore, with the exception of emergency housing, is basically limited to loans and rests substantially upon the ability of individuals to establish credit, or the ability to repay. For people who are poor—who are unemployed or seasonal workers, who have very low incomes when they get a chance to work, who rarely have collateral to back a loan and who cannot promise regular payments—this system is cruel.

Though loans fairly provide aid on a repayment basis to those who can meet the economic standards required, they arbitrarily discriminate against those who are not in the right economic class. Moreover, loans are not generally given to any person if, as a result, his real property will be worth more than before the disaster.[4] Clearly, such a policy inevitably works against those whose possessions before a disaster were worth very little, e.g., a person living in a wood frame, two room home with minimum furniture could not qualify. SBA does grant loans to persons to build homes of increased value if they lived in homes which failed to meet minimum housing code levels. The loans can be used to construct homes to meet these minimums. Generally, however, unincorporated areas have no such codes.

In the provision of emergency housing, the law allows free rent for a year or less (HUD, as we noted earlier, chose a limit of 90 days) and, thereafter, a rent and utilities payment not to exceed 25% of a family's income. This admirable formula, however, can have unfair effects. In Camille, for example, fees have been established for emergency trailers according to their size, up to a maximum of $55 per month for a three bedroom unit. Because there are no income restrictions, rightly, on trailer tenants, this fee may be as much as 25% for some families and considerably less percent for those with greater incomes. In fact, a family with an annual income below $3000 would quickly reach the 25% limit. In disaster situations, when necessities have been destroyed or washed away and there are unusual expenses, this government-regulated cost can become unfairly burdensome to the poor.

Finally, the principal non-monetary federal aid available to disaster victims is food, through participation in one of the Department of Agriculture's food stamp or commodities distribution programs. The limitations of these programs have been documented elsewhere and it is not our intention to do so here.[5]

During September, the Red Cross paid the entry fee for persons wishing to participate in the food stamp program in Harrison County. Though exact figures were not available at this writing, local food officials reported that when this Red Cross program stopped at the end of the month participation rates dropped markedly.

Our observation of the operation of federal aid programs in the aftermath of Camille leads us to conclude that it is difficult for poor people to obtain disaster relief from such sources.

THE AMERICAN NATIONAL RED CROSS

How, then, are individuals cared for in a natural disaster? Theoretically, state and local officials should handle a considerable portion of the assistance. Practically, however, their location within the devastated area makes them victims as well, and especially if local employees live in the disaster area. Moreover, in poor states such as Mississippi, there is little likelihood that these agencies can respond effectively to the huge demands of an emergency. Harrison County, for example, has a population of about 120,000 and has no full-time public health officer. In these situations, the federal responsibility—and especially that of OEP—necessarily increases.

OEP has in effect delegated the bulk of its responsibilities for individual care to the American National Red Cross. The Red Cross is chartered by Congress to "carry on a system of national and international relief . . . in mitigating the sufferings caused by pestilence, famine, fire, flood, and other national calamities. . . ." It is a quasi-public agency, supported entirely by voluntary contributions, but having close ties to the federal government in both purpose and operations. The chairman and seven other members of the 50-member Board of Governors are appointed by the President of the United States. It is housed in a federally owned building, has its books audited by the Department of Defense, and is recognized in Public Law 81–875 as a conduit for federal agencies for releasing emergency supplies in disasters. The Red Cross also maintains a Statement of Understanding with the OEP to cover disaster functions, and it is through this formal agreement, last approved in May 1969, that OEP grants a preemptive role to the Red Cross for individual care in a disaster, covering such items as food and other consumable supplies, clothing, medicine, shelter, occupational rehabilitation, household furnishings, building and repair of homes. The Statement also provides that federal funds will not be used to pay state and local governments for expenses they incur carrying out functions which the Red Cross is able to perform. Coupled with statutory language (section 4 of the 1966 Disaster Relief Act) which provides for cooperation between federal agencies and the Red Cross, but not anything which will "limit or in any way affect" its operations, the Statement of Understanding essentially gives the Red Cross a free hand in providing individual disaster care without effective public oversight.

The Red Cross operates two related, but distinct, programs of disaster assistance. In the immediate aftermath of a disaster it concentrates on providing "mass care" which is dispensed through emergency offices manned predominantly by volunteers, and where victims are given medical care, e.g. innoculations, some clothing, food, etc. As the immediate needs are met, however, this part of the program phases out. Caseworkers then arrive to develop individual recovery assistance for victims and their families. Disaster aid applicants complete detailed forms which describe their assets, liabilities, and losses. (The household furnishings loss list alone contains more than 90 items.) Caseworkers then determine how much each victim should get and the Red Cross issues a grant, or gift, to the victim.

By the beginning of November, 23,208 persons in Mississippi, Louisiana and Alabama had received grants. Though normally the average Red Cross grant is $720, local staff are empowered to give $7500 without headquarters approval, and large gifts are granted. The Red Cross Biloxi office stated that the average Camille grant for them has been about $1100.

The Red Cross grant program is unique because it does not require repayment. Because federal financial aid for disasters is limited to loans it is especially valuable. At first glance, therefore, it would appear uniquely suited to help all disaster victims, regardless of income. But theory has proved quite different from practice. Caseworkers are given a considerable amount of discretion in dispensing these grants, but generally are required to help applicants "resume their normal family life in the home and in the community." Just as for federal financial aid in disasters, there is no minimum standard of need by which the adequacy of aid can be measured, and because the organization attempts to bring victims back to their previous level of living—regardless of what it was—aid is dispensed unequally. Those who had more before the disaster will get more for recovery; those who had less will get less. And many poor will be referred to public relief agencies in lieu of getting Red Cross assistance (Mississippi does not have a general relief program; you must be either blind, disabled, aged, or a dependent child to get state welfare aid).

Guidelines contained in the Red Cross Disaster Casework Procedure Manual indicate how this general approach to disaster aid is translated into operating terms.

Clothing: The Manual says, "Used clothing should be given only when the family's standards indicate it is appropriate." The Gulfport casework supervisor confirmed that this means if you've never had new clothing, you don't get any from the Red Cross (unless that's all there is). But if you are accustomed to new clothing, that's what you'll get.

Household furnishings: The Manual says: "*Needs* will vary according to the amount and *quality* of furnishings lost, and the *economic level,* size, and composition of the

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[3] Some help is coming through an OEO legal aid grant, which is being used primarily on insurance cases. But, as we discuss below, this is really a distorted use of OEO money and is severely limited in scope.

[4] The 1969 Disaster Relief Act, passed after Camille, provides for forgiveness of the first $1,800 of SBA and Farmers Home Administration loans. Theoretically, a person needing a loan of, for example, $2,300, would have to repay only $500. This could help poor people who could qualify.

[5] In Mississippi, if you have an income of $70/month or below you pay 50 cents for stamps. However, if your income is higher the fee increases rapidly, e.g. a family of four with $90–$100/month income has to pay $40/month for food stamps—almost half their income. If the income is $170/month, the family pays $56 and gets $78 worth of stamps. Anyone earning more than $180/month in Mississippi is not eligible.

family. For example, . . . the family that lost poor quality furnishings can be expected to resume its normal way of living with used or unpainted items."

Renters v. homeowners: The Manual says: "Rent. A family that has lost its shelter may be referred to a Red Cross operated shelter, or assistance may be provided by paying a maximum of one month's rent for a room, apartment, or home if the family does not have resources to pay for this expense." Payments to homeowners who have lost their shelter have no limit, are made to cover rebuilding costs, and can be for thousands of dollars worth of such costs.

The inequities which can result from this system of aid can be understood from the following examples (the first two were obtained by our field representatives from the aid applicants described):

A black man in Waveland followed a white applicant into a Red Cross center. Both men had the same size families, but the black man had a substantially lower income. The white man got $80 for food, the black $5 for the same period of time.

A young white couple on Point Cadet had their home destroyed. The husband's weekly income varied from $40 to $100. They were told they would receive an allowance to replace their furniture; they received $30 for groceries, $80 for clothes. They could not get money to rebuild their home, worth $4500, because "they would end up with more than they had before the storm." A 70 year old lady from the same area with more than $3000 in savings received $10,000 to rebuild her $11,000 destroyed home.

The chairman of a consolidated citizens organization along the coast complained (in a telegram to the Red Cross) that a family with a $39,000 income received "a full bedroom outfit" while another family with a $3,000 income got a mattress.

According to the disaster chief of the national Red Cross, Mr. Robert Pierpont, the Red Cross is fully cognizant that it does not serve all income groups equally. He summarized the organization's relationship with its clientele by saying, "We're not dealing with the poor, we're dealing with Mr. and Mrs. Average America."

The result of this Red Cross policy is that an agency acting on behalf of the federal government has decided to interpret its Congressional charter in such a way that a disproportionate amount of its fixed disaster budget ($10 million is budgeted for disasters annually, without special contributions) goes to people who are not poor. Though it is not our purpose to suggest that any disaster program ought to be a substitute for a carefully defined, humane program providing economic security for all people, it is clear that the net effect of this policy is to arbitrarily exclude a portion of the population from disaster solely because they are poor.

The disaster aid rationale

Both federal and private agencies therefore operate disaster assistance without any minimum standard of adequacy; they also disburse aid frequently according to the income or assets of the aid applicant. One can only conclude, therefore, that the general theory which guides the federal government in its disbursement of disaster aid is that no one should have, even temporarily, better living standards than they had before, even if they were poverty-stricken. In its own words, the Red Cross "considers only those needs that have been created or made worse by the disaster." Though certainly a reasonable sounding approach, the net result—coupled with no minimum standard and a graduated level of care—is inequality and inadequacy for many.

Special needs of the poor

Not only are the poor discriminated against in the general approach to the disbursement of financial aid, but their needs also go unmet in a number of special areas where they have particular concerns.

Legal aid.—Three days after Hurricane Camille hit Mississippi, negotiations began between the Mississippi Bar Association and the Office of Economic Opportunity (OEO) for an emergency grant to establish a legal aid program to help "low income people" struck by the storm. A six-month, $50,000 grant was approved even though the Mississippi Bar has long opposed strong legal aid on behalf of the poor and civil rights, and even though (in violation of 42 USC 2809) no attempt was made to coordinate the program with existing community action agencies, or make it meet the peculiar problems of the poor. Two full-time attorneys have been hired and "volunteers" work at $10 per hour. No limits of income are set for people wishing to receive legal aid services. The president of the bar told our representatives that no advocacy actions would be taken, and that to a considerable extent the program was designed to keep out civil rights lawyers who might "start trouble." The NAACP Legal Defense Fund has collected six affidavits from black people who state they were refused aid.

The program concentrates primarily on those issues which are of benefit to families with assets in the form of insurance or real property: settlement of claims cases for homes and cars, repairs or improvements on property, problems of getting into and out of contracts. While there is a clear need for such aid to people of all economic levels, OEO funds should not be used to provide such aid for the non-poor.

Planning and adequate representation.—The future of the area hit by Camille depends mainly upon the Mississippi Emergency Council. As we indicated above, this Council is totally unrepresentative of both poor and black, indeed of any segment of Mississippi society but the business and banking community. In general, the Council has operated without public sessions or hearings to gather information from the populace about what the direction of the new development ought to be.

For more than two months after the storm the Council failed to meet with representatives of the black community. Then, when the body extended an invitation to various private agencies interested in its activities, including our organizations, local representatives asked that the Council membership be made more representative. That request was denied, though a return offer was made to allow three non-member black people to sit in regular Council meetings and participate when appropriate.

Even though the federal government granted $495,000 to the Council, a grant which even waived local contributions in cash or kind, the President's representative said, "The President has no control over the make-up of the Council." This is an excessively restricted view of federal responsibility, especially when the Council had to sign an assurance of compliance with title VI of the Civil Rights Act in order to receive the money.

In the future, the issue of adequate and fair community representation will become increasingly important as HUD approves money and proposals for community planning, low income housing, etc. The Workable Program for Community Improvements Handbook, for example, states:

A guiding principle of departmental policy is to insure that citizens have the opportunity to participate in policies and programs which affect their welfare. Therefore, the workable program requires . . . that the community provides opportunities for citizens, including those who are poor and members of minority groups, to participate in all HUD-assisted programs for which a workable program is a requirement and in the community's plan to expand the supply of low and moderate income housing.

In view of the difficulties and shortcomings of HUD's performance in relation to community representation in the recent past, its future actions in this regard should be carefully observed.

Transportation.—A crucial problem for poor people, especially those in rural areas, is transportation. Lack of transportation after the storm—even where it was *not* present before the hurricane—has seriously hampered the effectiveness of relief work simply because many poor people have been unable to reach assistance centers. The OEO staff in Mississippi, for example, requested and received approval for an emergency food proposal which was geared primarily to obtain temporary transportation for poor people to reach food distribution centers. The federal government, aside from OEO, has been oblivious to this problem. The Department of Transportation's mass transit office has never made a survey of transportation needs after the storm and its one representative was present at the coast because a local Congressman wished assistance in extending a government contract for a local firm.

RACIAL DISCRIMINATION AND FEDERAL DISASTER PROGRAMS

There is a popular myth during disasters that the exigencies of natural calamities significantly reduce or entirely eliminate the normal hostilities and differences between races. Mississippi is, unfortunately, a perfect testing ground for this thesis, and from the beginning it has proved false. On one hand, there is little doubt that some federal officials and relief agencies have at least been aware that racial discrimination is possible during emergencies, e.g. OEP was prompt to investigate a complaint of discrimination after Camille, and the Red Cross has made some efforts to bring in black workers to the disaster area. Nevertheless, through both actions and inactions the federal government has indicated there is little national sensitivity to the problems of race, even during a calamity. Indeed, in some instances federal agencies and officials appear to be supporting discrimination.

One of the first, and most important examples, which we have discussed above, was the President's decision to recognize the all-white, unrepresentative Mississippi Governor's Emergency Council as the coordinator of federal aid. This act has become particularly repulsive to local black citizens because the White House acted ten days after the membership of the Council was named.

A number of other issues, however, specifically illustrate the failure of federal agencies to take steps to assure equal opportunity.

The Small Business Administration appears to be approving loans in a discriminatory manner. In the month following the hurricane (September) SBA approved 617 disaster loans. All but 21 (3%) went to whites. In addition, the average white loan was $8,919 and the average black loan was $3,797. Finally, 99% of the total dollars in loans approved by SBA have been for whites.

In general, federal agency responsibilities under title VI of the Civil Rights Act of 1964, (which prohibits discriminatory use of Federal funds) are overseen by the Department of Justice. In this disaster situation, where at least $50 million is expected to flow to a state with a long history of racial problems, Justice has confined its actions to general conversations with OEP about title VI.

The ability of the Federal Government to disburse school aid according to the Constitutionally-approved requirements of title VI has been compromised. In late August an HEW official stated that school districts which were segregated in violation of title VI would not get aid (six districts in disaster counties are not in compliance). The Vice

President publicly condemned this statement on more than one occasion, calling it at one point a "gratuitous determination by a minor official, repugnant as an example of overbearing bureaucracy. . . ." The Vice President's position has placed great pressure on HEW's civil rights staff to accept less than adequate compliance proposals in order to make districts which now violate the law eligible for aid.

The bulk of physical clean-up work after Camille was done by private contractors working for the Corps of Engineers. No attempts were made by the Corps to assure nondiscrimination in hiring, even though they are required to do so by Executive Order 11746.

The federal fair housing statute states that "all executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes" of the law. HUD has principal responsibility for administering this act for its own activities and for other agencies. It has taken virtually no action under this language since its passage. This will directly affect the future development of the Gulf Coast.

Generally, therefore, the black citizens of Mississippi, who must suffer gross indignities every normal day, have had to withstand additional violations of law and spirit during this extreme situation. Contrary to the desires of those who felt that Camille might bring new hope through new building, there is every reason to fear that discrimination will exist as before, but cloaked in a mantle of modernity.

FINDINGS AND RECOMMENDATIONS

The response of the Federal Government and of quasi-public agencies to the disaster caused by hurricane Camille along the Gulf Coast of Mississippi was large. Private agencies also provided extensive immediate help. But to a great extent the federal influence was characterized by its size rather than by its sensitivity. The Federal Government appears to treat a natural disaster as it would a military disaster . . . large numbers of troops are rapidly assigned to remove bodies and clean up debris, and are withdrawn as soon as possible. Though individuals have acted with great understanding in countless cases, our investigations show that in response to hurricane Camille:

1. *The Federal Government devoted its primary attention to public facilities damaged or destroyed by a natural disaster and relegated the care of individuals to others.* There are ample statistics on the destruction of bridges, highways, sewers and public buildings but far less detail about the destruction of homes and personal possessions. There is insufficient information about the degree to which people are hungry, sick, homeless or in need of special care.

2. *The Federal Government has not recognized by its actions the need for imaginative outreach to people both numbed by disaster and cut off from normal channels of communication.* Clear information regarding services available, location of sources of aid and the terms of such aid was not taken to people, and as a result rumors were rife and inhibited utilization of such services.

3. *Aid was not dispensed equitably to all people.* There is no minimum standard of need by which the adequacy of disaster care is measured. Aid was frequently disbursed on a graduated scale of income; if you had more, you got more; if you had less, you got less. In the case of the American National Red Cross, this is official policy.

4. *There has been no coordinated program to protect consumers from exploitation and fraud.* Many "new poor" fortunate enough to have had insurance policies were forced to settle for a fraction of their claims. Many property owners were at the mercy of land speculators. Information about the nature of the hurricane which would have helped in these situations was not made available to victims.

5. *The special needs of the poor have not been affirmatively identified and met.* Often alienated from the community at large the poor are especially ill-prepared to cope with a disaster. Under normal circumstances the poor are least able to qualify for loans, and loans are the main category of recovery aid. Many of the poor live in isolated areas and aid was slow to reach them. The poor have not been involved in identifying needed emergency services nor in planning for the future, thus adding to frustration and alienation.

6. *The Federal Government has taken little or no action to combat racial exclusion and discrimination in this disaster situation, and in some instances is contributing to the problem.* The Department of Justice has confined its actions to conversations with OEP about title VI of the 1964 Civil Rights Act. Other departments of the Federal Government have failed to take affirmative action to ensure non-discrimination. Only a tiny percentage of SBA loans have gone to black people. Most importantly, the President has sanctioned the exclusion of the poor and the black from the long range planning process by designating the all-white Governor's Emergency Council as the official body through which all federal programs for reconstruction must be coordinated.

The above findings lead the American Friends Service Committee and the Southern Regional Council to *make the following recommendations,* some of which are designed to help meet immediate continuing needs in the wake of hurricane Camille and others of which are directed toward the nature of the federal response to possible future disasters.

1. We Recommend that the Federal Government and its agencies work only through state or local bodies which affirmatively embody non-discriminatory policies and are fully representative of all segments of the affected area. If such a state or local body cannot be found or speedily created, the Federal Government should bypass non-complying agencies and itself directly administer federally funded or assisted programs for recovery and reconstruction, *and that* inasmuch as the Governor's Emergency Council of Mississippi is highly unrepresentative of the people of that state, the President immediately revoke his recognition of that Council as the coordinating agency through which federal programs of recovery and reconstruction reach Mississippi.

2. We Recommended that the President should allocate sufficient portions of his disaster relief fund to meet the emergency food, unemployment and housing needs still existant on the Gulf Coast until such time as, at his request, Congress appropriates necessary funds for the implementation of the goals of the Disaster Act of 1969 (PL 91–79).

3. We Recommend that the Department of Housing and Urban Development should rescind its order establishing charges for emergency housing and trailers, provide for free occupancy of trailers for one year; and extend its cut-off date for applications for housing assistance for as long as the disaster period is officially recognized by the Office of Emergency Preparedness.

4. We Recommend that the Office of Economic Opportunity should establish and fund a special legal aid and ombudsman program for the Gulf Coast area, this program to be administered by a board representative of the total Gulf community including those the program will serve, and to continue until the disaster period is officially terminated by the Office of Emergency Preparedness.

5. We Recommend that the Department of Agriculture should make available commodities, free food stamps and free school lunches for needy disaster victims at least as long as the disaster period is officially recognized by the Office of Emergency Preparedness.

6. We Recommend that appropriate agencies should immediately initiate and fund adequate job training and employment programs to provide income and security for those dislocated by hurricane Camille.

7. We Recommend that Congress should convene an oversight investigation into the administration and direction of the federal response to the recent hurricane, Camille, with particular emphasis upon the Federal Government's preparation for, and ability to handle, the individual human consequences of natural disasters.

8. We Recommend that there be developed "Disaster Guidelines" which shall be binding on the Executive Office of the President and all federally supported, assisted or chartered agencies, and which should include the following among its provisions.

APPENDIX 1.—SELECTED DEMOGRAPHIC, SOCIAL, AND ECONOMIC DATA FOR UNITED STATES, MISSISSIPPI, AND FOR THE CAMILLE DISASTER COUNTIES

	Population								Family income, 1960				Education		
			Percent increase												
	Total, 1960	Estimate 1968	1950–60	1950–68	Percent urban	Percent 65 years plus	Percent nonwhite	Percent migrants from different counties	Number of families	Median dollar	Percent under $3,000	Percent $10,000 plus	Median school years completed	Percent completed less than 5 years	Percent completed high school or above
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
United States	179,323,175	.....	18.5	.....	69.9	9.2	11.4	17.4	45,128,393	5,660	21.4	15.1	106.6	8.4	41.1
Mississippi	2,178,141	.....	.....	.....	37.7	8.7	42.3	16.1	500,921	2,884	51.6	5.2	8.9	18.8	29.8
County:															
Harrison	119,489	166,700	42.1	98.0	77.4	5.9	16.1	34.3	27,092	4,272	29.7	7.1	11.5	8.8	46.6
Hancock	14,039	17,950	18.1	51.0	36.1	10.8	16.1	19.0	3,308	3,129	48.1	5.6	8.9	15.7	32.0
Jackson	55,522	83,450	76.8	163.0	61.3	5.3	19.6	26.8	13,327	5,120	23.6	8.1	10.3	10.6	36.5
Lamar	13,675	.....	3.4	.....	.....	8.8	16.3	18.1	3,376	3,167	47.6	1.9	9.1	13.0	26.1
Pearl River	22,411	27,550	8.6	.....	35.0	8.2	23.2	13.5	5,420	3,372	44.3	5.0	9.0	14.6	28.5
Stone	7,013	.....	12.0	.....	.....	9.4	24.4	19.7	1,657	3,058	49.1	3.2	9.9	13.3	31.8
Marion	23,293	.....	−2.8	.....	30.6	8.6	33.9	11.0	5,577	2,816	53.0	5.8	9.2	15.7	27.6
Forrest	52,722	.....	17.0	.....	74.0	8.2	28.0	22.9	12,528	4,004	37.0	6.6	11.0	11.1	42.9
Walthall	13,512	.....	−13.2	.....	.....	8.6	45.1	8.5	3,142	2,282	61.7	3.0	8.7	17.3	25.2

Sources: U.S. Census; population and economic study of Gulf Regional Planning Commission.

Uniform minimum levels for aid, equally applicable to all people regardless of their predisaster economic status, shall be established to provide such basic necessities as food, shelter and medical needs for as long as is needed;

Special needs unmet by this minimum standard shall be considered in request of individuals and families;

All federal disaster programs shall adhere to the intent and provisions of federal civil rights laws, including sending civil rights staff to the scene immediately;

The total community affected, including the poor, shall be involved as soon as possible after a disaster in the planning and implementation of short and long-range recovery and reconstruction activities;

No agency shall terminate disaster aid without the concurrence of the overall coordinating agency.

9. Finally, we recommend that the Congress take appropriate steps to ensure that the agency designated to coordinate the federal response to natural disasters reflect in its policies, personnel and program an equal concern for the human and physical dimensions of disaster reconstruction; and that Congress consider whether, in the light of the primary defense responsibilities of the Office of Emergency Preparedness, OEP is the suitable agency to carry out such coordinating functions.

APPENDIX 2

Population 1960: Southern Mississippi cities and towns

COUNTY AND LOCALITY	
Jackson:	
Pascagoula	17,155
Eastside	4,318
Ocean Springs	5,025
Moss Point	6,631
Escatawpa	1,464
Kreole	1,870
Harrison:	
Biloxi	44,053
Gulfport	30,204
Including:	
Handsboro	1,577
Mississippi City	4,169
West Gulfport	3,323
Long Beach	4,770
Pass Christian	3,881
Hancock:	
Bay Saint Louis	5,073
Waveland	1,106
Clermont Harbor	-----
Pearlington	-----
Forrest: Hattiesburg	34,989
Marion: Columbia	7,117
Pearl River:	
Picayune	7,834
Poplarville	2,136
Lumberton	2,108
Walthall: Tylertown	1,532

Source.—Social and Economic Study of Gulf Regional Planning Commission.

WITHOUT DISTINCTION OF ANY KIND

Mr. PROXMIRE. Mr. President, article 2 of the Universal Declaration of Human Rights, adopted by the United Nations General Assembly on December 10, 1948, states:

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status.

In its survey of human rights in the United States, the President's Commission for the Observance of Human Rights Year 1968 had the following to say about how this Nation has adhered to the above principle:

As stated in the commentary on Article 1, in the early days of the Republic rights were fully enjoyed only by "native-born white male property owners." As the remaining commentaries will show, discrimination of all kinds has been steadily restricted by the Constitution and by Federal and State law. Today, the equality of all Americans is protected by law in matters deemed to be public. It is in the implementation of the law that the high standard set in Article 2 has not yet been attained for every citizen.

I feel that the above commentary by the President's Commission gives evidence to this Nation's hypocrisy in regard to political rights for women. The article states quite clearly that there should be equal rights and freedoms "without discrimination of any kind." And, the Commission states:

Today, the equality of all Americans is protected by law in matters deemed to be public.

Is not the right to hold political office a "public" matter? I think it is. And, I might add, I think that this right should be guaranteed not only on the national level, but the international one.

It is for these reasons that I urge the Senate to consider and ratify the Human Rights Convention on Political Rights for Women. Certainly the Nation has a tradition not to be matched anywhere else in the world. But, as the President's Commission stated:

It is in the implementation of the law that the high standard set in Article 2 has not yet been attained for every citizen.

It is my conviction that the ratification of the Convention for Political Rights for Women would further the cause of implementation of this most important right.

A TIME OF THANKS—OR WOE?

Mr. HANSEN. Mr. President, this is the week when we annually observe our National Thanksgiving holiday. In connection with the forthcoming day on which we reflect on the many blessings bestowed upon us, I invite attention to the commentary by the senior Senator from South Dakota (Mr. MUNDT) as contained in his report to constituents.

I ask unanimous consent that the commentary, dated November 25, 1969, be printed in the RECORD.

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

THANKSGIVING, 1969

As another traditional Thanksgiving holiday comes to the land, the cynical among us might ask: *"What is there to be thankful about?* We are in a war; we have poverty; we have people marching in the streets; our young seem to have gone wild; crime is rampant; dirt seems to be the order of the day in the arts and literature; people seem to snarl instead of smile at each other; happiness is no longer real, it's just a slogan." Aside from the exaggeration of group categorization, the cynic is not in error in his citation of difficulties besetting our Nation. In fact, a sizeable compilation of ills could be added to the cynic's list.

Where the cynic is wrong, however, is the perspective in which he places our problems. His is a perspective of disillusionment, a viewing of problems as virtually incapable of solution and of such massive proportion that little else exists other than deepening dilemmas afflicting both the spirit and stamina of our people.

In my view, the cynic is as short-sighted in his perception of the world about him as he is about the people of this Nation. War, citizen unrest, lawlessness—all have been a continuing part of the American scene. Adversity has been a neighbor of generation after generation. *This Nation in the past did not succumb to the despair of its problems.* As great as the difficulties were, there always was the strength and resolution of the people to attempt to surmount whatever the problems confronting a particular generation. Not all of the problems were solved. Succeeding generations, however, usually found that difficulties of such nature which were inherited had been alleviated to some extent, making easier the efforts to reach solution by that generation than it was for a preceding generation.

I think a strong case can be made for the present generation of Americans as one measuring up to the tradition of trying to leave the world a bit better than it was when they came in. When you evaluate what has happened in America in the past, what is happening now, and how we are attempting to meet our responsibilities, it seems to me when all of this is examined along with our various problems, that what emerges is not the picture of a country rushing headlong toward disaster but ample demonstration of a Nation continuing to forthrightly accept the challenges of our times, and moving forward in the search for answers to our problems and actions which enhance the well-being of all mankind.

We may stumble in our efforts to achieve progress. And sometimes we go a step backwards for every two taken forward. But in the main, this Nation, imperfect as it might be, continues to be one dedicated to peace; to achieving equal opportunity; and to strengthening the bonds of liberty. And it is this dedication to these great causes for humanity which continues to make this land the ideal for the rest of the world.

So while we can give the cynic his due, by focusing on our imperfections as well as our blessings at this Thanksgiving season, we need not succumb to his woe, remembering that it is the imperfections of our society and our world to which we have dispatched our energies, our resourcefulness and our resolution. This is the America I see, and, I believe, what the substance of our people is—and gives us abundant reason to be thankful.

SOUTH DAKOTA AND THE MOVIES

ABC–TV's Joey Bishop Show the other evening included as guests South Dakota's Rodeo Champion, Casey Tibbs, and Western Movie Star Joel McCrea, who reported on their plans to film a second movie in South Dakota. McCrea also told of the scholarship he has established at the University of South Dakota for Indian youngsters.

NIXON EFFORT TO ACHIEVE DRAFT REFORM SUCCEEDS

Approval by the Senate this past week of draft reform legislation represents an important gain for the young men directly affected by the draft. It likewise is a significant victory for President Nixon and the public, for only a short time ago the bill appeared not to have a chance to come before the Senate this year. Following House passage, the Democrat Leadership of the Senate announced that the bill would not be considered this year.

Strong protests from the public and reiteration by the Administration of the importance of the bill led to a change of minds and agreement in the Senate to consider the Nixon proposal now and to take up next year the multitude of draft reform bills introduced by a number of Senators. Thus, what

was a compromise in agreeing to immediately consider the Nixon proposal—which can resolve quickly some of the inequities of the present law—and schedule early next year hearings on comprehensive bills going into the very concept of selective service can be marked a "plus" in every respect for all who have been concerned about the need for remedial steps in our draft system.

The Senate action repeals the law which prohibited the use by the President of a random system of selection for induction. With this repeal, the other recommendations of the President will now be instituted as this can be accomplished by Executive Order. The other recommendations include a "youngest-first" order of call and a "limited vulnerability" period for induction.

The random selection system, which required the change in law, will be determined by lot on the basis of the birth date. Each person in the prime age group would have the same chance of appearing at the top of the draft list, at the bottom, or somewhere in the middle. A national drawing will be held in which each of the 365 days of the year will be scrambled and receive a sequential number. For example, if No. 1 is November 25, all those born on November 25 would be in the highest priority for call. For those born on the same day, a second national drawing will be held to determine the sequence based on a scrambling of the alphabet.

The "youngest-first" will shorten the time of uncertainty for young men as this will result in designation each year of a "prime age group." This group will consist of those registrants who were 19 years old when a selective service year begins. Each 12 months a different pool draft eligibles would be designated as the "prime age group."

By establishment of the "prime age group" on the "youngest-first" basis, or at age 19, this creates the "limited vulnerability" concept. This means that a 19-year old will experience maximum vulnerability for a period of one year, being a member of the "prime age group." When that 12-month period (the selective service year) ends, the individual, who is then in his 20th year, moves progressively to less vulnerable categories. The exceptions are those who receive deferments and their periods of maximum vulnerability will come after the deferments end.

Comprehensive selective service hearings will begin not later than February 15th next year by the Senate Armed Services Committee and this committee will then also have the benefit of the results of a joint study on selective service guidelines and procedures being conducted by Selective Service and the National Security Council. However, the reforms listed above will now occur in the very near future.

THE VICE PRESIDENT AND TV

Quotes to remember from the Vice President: "If the media are going to broadcast the emotional appeals of the Stokely Carmichaels and the other agitators, it is like throwing gasoline on the flames." . . . "I do know that TV in particular has spread the message of rioting and looting, has displayed the carrying out of televisions, home appliances, groceries, etc. and has literally served as a catalyst to promote even more trouble." If you don't recall the above statements as being from the current Vice President, it is understandable. They were made by his predecessor, Hubert Humphrey (long before, of course, Humphrey's current criticism of Veep Agnew's comments on television).

THE AFTERMATH OF DISASTER IN NELSON COUNTY, VA.

Mr. SPONG. Mr. President, the people of Nelson County, Va., have been strong of character and stamina despite the adversities of Hurricane Camille. This rugged Virginia community suffered damage that must be seen to be believed. Yet, with the help of many, including a great number of Mennonites from as far away as Canada, they are rebuilding with uncomplaining perseverance.

The will of the people of Nelson County is deftly illustrated in an article written by J. Y. Smith and published in yesterday's Washington Post. The article brings out the unity that can come from disaster. I ask unanimous consent that it be printed in the RECORD.

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

"THIS IS THE END OF TIME" IN NELSON COUNTY: CAMILLE CHANGED REGION FOREVER

(By J. Y. Smith)

Nelson County, Va., used to be known—so far as it was known at all—for its beauty, for its poverty, for the independence and hardiness of its people, for its wildlife, and for the high quality of its illicit apple brandy.

It is now known as the area hardest hit by the greatest natural disaster in the recorded history of Virginia. On the night of Aug. 19, 1969, the vestiges of Hurricane Camille moved over the Blue Ridge and, in the space of about five hours, unloaded an average of 31.5 inches of rain on Nelson and surrounding counties.

In the aftermath, it was determined that 152 people in Virginia were dead or missing in the floods and avalanches that crashed out of the mountains. Of these, 126 were residents of Nelson. That is a little more than 1 per cent of the county's population.

"There are apocalyptic verses in the Bible that describe the ending of time," says the Rev. Wilfred Roach, pastor of Grace Episcopal Church in Massies Mill, as he stands amidst the hamlet's ruins. "Of course, this is the end of time here."

He adds: "This is the closest to Hell you'll ever get and the closest to Heaven. The Hell is the loss of life and the Heaven is man's ability to deal with adversity."

Nelson County covers 471 square miles. It is a land of wooded hills, of remote orchards and beef and dairy farms. Its western flank lies in the Blue Ridge, which rises with spectacular suddenness from the rolling lowlands. Charlottesville lies to the north, Lynchburg to the south and Waynesboro to the west—prosperous cities where many Nelsonites work. Others, like their grandfathers, prefer to eke out a living in the narrow mountain valleys.

If the mountains give shelter and sustenance, they also hold the threat of destruction to those who live in them. The threat, which continues today, is one of landslides and avalanches.

A cubic foot of typical Nelson County soil is capable of absorbing from 1 to 1½ inches of water, according to C. J. Koch of the State Soil Conservation Service. Many mountainous areas in Nelson have only one or two feet of dirt covering sheer granite bedrock.

"When the excess rainwater penetrated to the rock," Koch said in a statement, "it was just like putting grease on a ball bearing."

Trees, boulders, houses and people were suddenly extruded from the mountain hollows and "coves" into the valleys. For most victims, there was little or no warning and few places to go in any case.

Thus 54 persons were killed along a four-mile stretch of Davis Creek and Huffman's Hollow. The hamlets of Tyro, Massies Mill and Roseland on the Tye River were virtually wiped out. Woods Mill on the Rockfish River is gone and the villages of Rockfish and Schuyler were badly hit. Norwood, a tiny collection of houses on the James River, was heavily damaged. The streets of Lovingston, the county seat, were inundated with mud and rocks, but the village escaped serious harm.

Houston Huffman, 51, lives with his wife in a small weathered clapboard house on a little knoll where Davis Creek forks at Huffman's Hollow. By his count, 28 Huffmans died on that night last August. From the front of his house, where an old tire guards a clump of flowers from the scratching and pecking of chickens, Houston Huffman can point to the places where at least 16 members of his family were killed.

"It's a whole lot to think about," he says. "It kinda steps up on you, yes it do. What gets me is how that water got so high in such a short time. If dynamite had been going off in that creek, it wouldn't have made no more noise."

Huffman says the surviving members of his numerous clan have all found a place to live since the storm and that all that are able are working.

"We've been doing right good," he says. Then he smiles wryly and adds: "But it's been tight."

At the head of Davis Creek, the Harvey brothers, Richard, Clyde and Carlton, are trying to reclaim orchard land that was turned into a moonscape of rocks, boulders and rubble. Half of one of the five houses they lost still stands. A bed is visible on the naked second floor. Besides the houses and the orchards, the Harveys lost three tractors and two trucks. They put their total losses at $150,000 to $200,000.

"I'm 43 and sometimes I feel 100," says Richard Harvey.

He shakes his head as he looks at a bulldozer that costs him $40 an hour.

"It's the only thing that'll move that big stuff. You either got to spend it or forget about it."

The Harveys intend to spend it.

"We're in the fruit business," says Richard. "We've got a storage plant. We just can't leave it."

It is scarcely four miles from Roseland through Massies Mill to Tyro on the Tye River. To the south of the Tye at Roseland, that are open meadowlands and cornfields. The hills begin just north of the river. Yet the debris that still clings to the trees along the river road shows that the water must have been 20 feet deep as it flowed through this relatively unconfined area. The fields are strewn with rocks and other debris. In some places where there used to be rich topsoil there are only sand and boulders.

It is hard to visualize what Roseland used to look like.

At Massies Mill, John Harvey, 70, a retired merchant and warden of Grace Episcopal Church, looks around and assesses the damage. He can count 20 houses and three stores that were washed away. About 15 houses are left. Perhaps 30 persons were killed.

One of the buildings that was spared was the church. The wooden building, which dates from 1885, when logging first got under way in the area, had five or six feet of water in it. The lectern was washed away. It was recovered in a cornfield near Wingina on the James River, about 40 miles away. There remained the removal of a couple of feet of mud and rocks and a live water mocassin that was found just to the left of the pulpit.

A building next to the church has been taken over by the Mennonite Disaster Service. Mennonite women in lace caps and long dresses use it to prepare meals for as many as 75 volunteers from their church who have come from as far away as Canada to help Nelson dig its way out. The men sign up for the work in their home parishes. Some stay a week, others stay longer. At any give time, a hundred may be working in the county.

One of the direct beneficiaries of the Mennonites' kindness is Edward F. Bowling, 79, a carpenter. With the help of the Red Cross

and the Mennonites, he has almost completed a snug two-room house on the site where his family has lived in Massies Mill since 1893.

No one can adequately express his admiration and gratitude for what the Mennonites have done.

"They are the 20th century angels of mercy," says Pastor Roach.

At Tyro, Capt. William E. Massie, 66, runs the post office and small store. When the water began rising in the first floor of their solid fieldstone house, Massie and his wife simply rolled up the rugs, moved upstairs and went back to bed.

"Of course, I didn't realize what was going on until daylight," he recalls. "If I'd known, I might not have gone back to sleep."

When dawn came, he found four bodies within a stone's throw of his house.

The worst physical damage and the heaviest loss of life in Nelson County was confined to small, scattered areas. But the disaster seems to be indelibly recorded in the collective subconsciousness of the 12,000 people who live there.

"Any kind of damage you can imagine, we got it in this county," says Willis A. Little, 60, a U.S. Department of Agriculture official who has worked in Nelson for 23 years. "How are you going to estimate the damage? It's going to take years and years."

Little estimates that as much as $250,000 damage was done to orchards alone. An acre of prime orchard is said to be worth $1,000. An acre can support 40 normal apple trees, but it takes seven to 10 years before a new tree begins to bear profitably. Many apple growers are switching to "dwarf" varieties. An acre can support 75 to 100 of these and they begin showing a profit in about five years.

But the orchards are not Little's prime worry. What really concerns him is the necessity of digging out the channels of the Rockfish, Piney and Tye Rivers. At present, they are clogged with silt, rocks and great piles of trees. Until they are cleared, a heavy rain will force them over their banks again, causing new damage to crop lands. Little thinks the job will cost at least $2.5 million.

Then there is the matter of restoring the land.

Nelson County has about 475 miles of roads. Donald E. Keith, the energetic resident highway engineer, says most were damaged. Ninety-two bridges were washed out, 36 of them classified as "major" structures. It has been estimated that it will take upwards of $7 million to bring the roads and bridges up to state and federal standards.

But there is no longer a single home in Nelson that does not have access to the rest of the world by road. (Right after the rains, many areas were accessible only by helicopter).

Even in the hardest-hit areas, Keith thinks, it is necessary to put the roads back if only to encourage people to return.

Can Nelson County come back? The area has received massive amounts of federal and state aid. E. Warren Roberts, the president of the county's only bank, says the institution's total assets have increased by more than $1.1 million since the disaster. The road system is bound to be better than it was because it is being brought up to standard.

This does not alter the fact that Nelson is basicaly a "bedroom" community. More than half of the income of its residents is earned outside the county and most of it is spent outside. This is because there is no trading center within its obrders. Clifford Wood, 43, a farmer in Wingina, a member of the Board of Supervisors and the man who took control of local civil defense efforts right after the flood, says he has to go to Lynchburg or Amherst to buy the size 11–B work shoes he wears.

Hughes C. Swain, the county coordinator, thinks this will be remedied and there is already talk of building a shopping center. Moreover, he sees the eventual economic salvation of the county in the fact that it is located within easy commuting distance of Charlottesville, Lynchburg and Waynesboro. He looks for the drop in population that has been evident for the past 50 years to reverse as more commuters move in.

Says Wood:

"The county was torn and split by the things around it. The flood has destroyed some of this disunity. I think it has brought the county together somewhat. If we all got pessimistic, it would be bad. Fortunately, most of us are optimistic about our individual futures and the future of this county."

At one point in the early days of the crisis, Wood and James Tribble the regional civil defense coordinator, came up with a total damage estimate for the county of $15 million. They admit that they more or less pulled it out of the air. The Office of Civil Defense in Richmond estimates statewide damage at $113 million and surveys are still being carried out.

Whatever the true figures may be, Nelson County will never be the same. But it may be that it will emerge as something better than it was.

HONORABLE ACTIONS COMMITTEE

Mr. DOLE. Mr. President, I recently learned of the formation, by a group of students attending Fort Hays State College, Hays, Kans., of an organization called the Honorable Actions Committee. Their stated purpose is: To show some positive action and support for the present administration and our country; to indicate their support of our fighting men in Vietnam; and to demonstrate their belief that the chief blame for the continued fighting in Vietnam lies with the North Vietnamese and not the United States.

These students have drafted a letter which will be mailed to the North Vietnamese leaders, and they are currently seeking signatures from a five-State area. In view of the responsibility demonstrated by these young Americans, I ask unanimous consent that the text of their letter to North Vietnam be printed in the RECORD.

We, the undersigned United States citizens, are disgusted with the feeble or negligible attempts of your delegates to negotiate at the Paris Peace Talks for a peaceful settlement to the armed conflict in Southeast Asia. We therefore ask you why the conflict has not ended. If you really desired peace, and were sincere in your efforts, the fighting could stop now. We favor peace as much as any nation's people, but we feel that any withdrawal of American military troops will have to be an honorable withdrawal.

NATIONAL WELFARE CONFERENCE OF THE NATIONAL ASSOCIATION OF COUNTIES

Mr. TYDINGS. Mr. President, on November 25, it will be my privilege to address the National Welfare Conference of the National Association of Counties—NACO. This conference, bringing to Washington hundreds of county leaders from across the Nation, will be an immensely crucial and timely American county forum on the social welfare issues of the day. The theme for the conference will be "Counties Care" and the county leaders, as welfare program administrators and fiscal supporters, will concern themselves with our massive problems relating to food, population, children, the aged, manpower and welfare program and administration.

Bernard F. Hillenbrand, executive director of the National Association of Counties, testifying recently before the House Ways and Means Committee on H.R. 14173—Family Assistance Act of 1969—alerted the committee to the forthcoming conference when he said:

In fairness to these needy people, we are committed to a thorough analysis of the President's proposals and their impact on county government. It is with this intent that we are committed to bringing five hundred county officials into Washington for our second National Welfare Conference on November 23–25 at the Statler-Hilton Hotel.

Mr. Hillenbrand's statement chronicles the efforts of the counties to overhaul our welfare system so that it will truly assist needy people and, in general, it provides a very valuable background piece for the NACO National Welfare Conference. Many Members of Congress will be involved in this welfare conference. Therefore, I ask unanimous consent as an aid to both Houses, that Mr. Hillenbrand's testimony be printed in the RECORD.

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

STATEMENT OF BERNARD F. HILLENBRAND, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF COUNTIES, OCTOBER 22, 1969

Mr. Chairman: My name is Bernard F. Hillenbrand. I am Executive Director of the National Association of Counties, representing the 3,049 counties in America. We commend you on taking up this most urgent and high priority matter: the study of this nation's welfare system.

Counties, as welfare program administrators and fiscal partners, have noted with grave concern the web of inflexibility which presently enmeshes both the recipients and the local administrators. Increasingly, we have found our programs entangled in a morass of red tape, stacks of rules and regulations, and bureaucracy pyramided upon bureaucracy. It is no wonder that we who have been on the firing line at the local level trying to administer the present inflexible program have appealed to the Congress and to the Executive Branch to work with us to give this nation a better welfare system.

Back in the early 1960's, we began to hear the rumblings of concern over the inadequacies of the program. The reports from the field began to spell out a crisis in welfare. Administrative problems, such as relegating social case workers to tedious hours of shuffling regulatory forms was causing the system to break down. Mounting fiscal burdens in welfare were threating to bankrupt county government. Most significant though for the future of this country, we came to realize that the cruelest blow was being dealt to those that the welfare program was purported to help.

Confronted with breakdown in helping people in need, NACO in 1966 felt compelled to call the first National Welfare Conference. We pledged to look closely at the standards, personnel requirements, and fiscal problems in welfare. We went to our work convinced that these programs were a disastrous failure. They were not meeting the needs of the people. At the 1966 National Welfare Conference, NACO adopted positive positions that we felt would strengthen the program and aid the recipient. In our attempt to be as con-

structive as possible we assembled seventeen conference recommendations that we presented to the Administration.

Typical of these constructive recommendations were the following:

1. The National Association of Counties urges the creation of a new federal category of public assistance based upon the single criterion of need and with a single formula for federal financial assistance. Conversion to this new category would be optional, therefore permitting those states who desire, to continue under the existing categories.

2. The Department of Health, Education and Welfare should modify the requirement that one social worker must not handle more than sixty cases. The modification should permit public agencies to employ the "averaging principle" in case handling.

3. The rigid supervisory ration requirements of five social workers to one case supervisor should be removed, and that flexibility in the standard be permitted.

In the interest of time, I would like to submit the full seventeen recommendations of the first NACO National Welfare Conference:

4. The National Association of Counties believes the responsibility of alleviating poverty is a principal function of county government, and therefore urges the respective states to provide counties with broad legal powers to accomplish such objectives. Additionally, we urge the respective states and the federal government to participate financially in these programs, however, that any accompanying state and federal regulation be such as to maintain the maximum degree of initiative and responsibility at the local level.

5. County government's participation in welfare programs varies from state to state. In some cases, counties exercise the predominant role and in others no role at all. Notwithstanding the extent of county government's involvement in public assistance programs since such programs have a vital impact upon other county programs, i.e., health, education, housing, etc.

The National Association of Counties urges county government to initiate planning programs designed to coordinate the counties' total effort to combat poverty. In those activities wherein the counties may not be directly involved, it is recommended that the suggested planning programs seek to establish appropriate cooperative agreements and arrangements so as to provide a continuing coordinated approach to the problem of poverty.

To assist counties in providing this type of planning, the National Association of Counties urges the Department of Housing and Urban Development to develop effective guidelines to allow 701 comprehensive social and physical planning. Additionally, the National Association of Counties urges Congress to raise the appropriation for the 701 to provide adequate financing for such social and physical planning.

6. The National Association of Counties urges that federal aid to needy families with an unemployed parent be made a permanent part of the aid to families with dependent children program.

7. The National Association of Counties encourages the program and policies that prepare welfare clients to be self-sufficient and therefore is in favor of the principle of the unrestricted cash payment. We do recognize however, that there are individuals who are not able to properly manage their own financial affairs, and for such clients, welfare departments should be given the authority to use either third party payments, whichever is most appropriate.

The National Association of Counties further recommends that the present 5 percent ceiling on protective payments be abolished.

8. The National Association of Counties further recommends the adoption of a policy calling for the creation of state and local advisory committees to deal with welfare matters.

9. The National Association of Counties suggests that legislation which provides federal participation in costs of community work and training programs designed to conserve and develop work skills of the unemployed parent receiving AFDC should be improved to share in all staff, training, and maintenance costs and made permanent.

10. The National Association of Counties re-emphasizes its existing policy recommendations regarding foster children and urges the enactment of legislation to provide federal assistance to foster children. Additionally, such a program should be NACO's priority welfare legislative objective for the 90th Congress.

11. Whereas the present federal and state classification and qualification staffing requirements for welfare and social workers often result in the wasteful application of professional talent to sub-professional tasks, the National Association of Counties urges recommendations that the federal government foster and encourage the states to experiment in their use of sub-professional classifications.

12. The chairman is instructed to ask the National Association of Counties to call upon the Depatrment of Health, Education and Welfare to make available at the time of publication all welfare bulletins and state letters to county elected officials and local welfare agencies so that they may be kept informed on a local level of technical and complicated welfare information.

13. The federal government should modify the requirement that all states utilizing the 1962 Services Amendments to the Social Security Act fully implement these amendments by July 1, 1967. The modification sought would require that states and counties show reasonable effort at implementing the amendments to that date.

14. Public welfare agencies should be permitted to employ the "Banking of Cases" principle for other than intensive social service aspects of case administration.

15. Federal and state audits should be clearly defined as to scope and purpose and be conducted promptly, especially in the case of new programs.

16. No report should be required by either federal or state welfare agencies unless it is essential, its purpose clearly understood, and its uses clearly defined.

17. Strong national efforts should be made to change the basic federal law and philosophy to permit local flexibility in the development of methods and approaches to money management and that federal fiscal penalties be eliminated.

Regretfully, gentlemen, in the three years since that NACO Welfare Conference, even with some administrative changes and refinements at the local level, we have found costs continuing to mount as the welfare roles soared. From 1950–1968, state and local governments' share of welfare program costs had risen from $2.5 billion to $9.4 billion. And yet with all of this public expenditure, the result across the nation was a program that was not doing what it was designed to do. We had spawned a third generation of welfare recipients.

Experiencing first-hand this disintegration of welfare programs—and again in a constructive spirit—in January of this year we wrote an open letter to the then newly appointed Secretary of the Department of Health, Education and Welfare, Robert Finch. In that letter, we noted that our county officials are at the cutting edge of social problems; that in a great percentage of places, they are the local administrative agency for the nation's welfare programs; that county government's stakes are high; our interest intense; and above all that we would like to be helpful.

We spelled out for the Secretary some problem areas demanding his and our immediate attention. We pointed out that together:

1. We must reappraise the *objectives* of welfare.

2. We must study the *structure* of welfare administration at all levels, federal, state and local and their interrelationships.

3. We must evaluate local policy and financial participation.

4. We must consider alternate approaches to the public welfare system at the federal, state and local levels.

5. We must carefully review all the community social agencies, both community by community, and their total impact statewide and nationally.

6. We must review the programs of the welfare agencies in their relationship to Office of Economic Opportunity programs and related programs in the Department of Labor, Health, Education and Welfare, and other federal agencies.

7. We must develop more basic research into the fundamental motives of the individual.

Mr. Chairman, now some ten months later, we have been pleased to see that exactly this type of massive, in-depth review has gotten underway in this country. Your Committee is participating in this historic review.

Companion bills H.R. 14173 and S. 2986 reflect the intent of the Administration to make a thorough review of the welfare system. This proposed legislation offers the most dramatic package of welfare reform proposals since the adoption of the Act in 1935.

We were heartened to note that Secretary Finch, when he appeared before your Committee last week, indicated that "the emphasis of these proposals . . . first and principally [is] on jobs." This is precisely where the 3,049 counties place their emphasis. As recently as at our annual meeting in July 1969, we adopted a National County Platform Position, calling for "an absolute requirement of work for those welfare recipients able to work and who meet other reasonably necessary requirements."

As administrators of welfare programs, we are likewise encouraged to see the Secretary's indication that the President's proposals seek to "develop a system which gives people the opportunity and incentive to become independent and self-supporting."

However, Mr. Chairman, and in all frankness, we have a lot of intense studying and digging to do to develop an understanding of the true role of county government in the Administration's proposal. At this point, the impact on counties is quite unclear.

Again, as recently as our summer Annual Conference, we reaffirmed our historic belief that county government must play a crucial leadership role in combatting poverty in the community, and we called upon every county in the nation to join in a massive drive to develop and implement bold, effective programs for the elimination of poverty.

Imagine our disappointment when in fact only weeks later the President outlined his new national domestic effort in welfare, but without articulating a role for the county. In fact, there was no recognition of the county crisis in welfare. We were, in the President's message, the Invisible County.

The word *county* does not appear in the President's news-making domestic speech in which he unfolded his welfare-manpower-revenue-sharing-OEO reform package.

The word *county* does not appear in the President's special welfare reform message.

The word *county* does not appear in the President's special manpower message.

The word *county* does not appear in the President's special OEO reform statement.

The word *county* appears once in the President's special message on revenue-shar-

ing, but then only in the context of noting that "county officials" were consulted on the details of the new revenue-sharing plan.

Welfare, manpower training, poverty, revenue-sharing—programs right at the heart and soul of county government—and yet this entire level of government has gone without *specific notice.*

May I remind the Committee that to millions of needy recipients, county government is very visible. In fairness to these needy people, we are committed to a thorough analysis of the President's proposals and their impact on county government. *It is with this intent that we are comitted to bringing five hundred county officials into Washington for our second National Welfare Conference on November 23–25 at the Statler-Hilton Hotel.*

There are many hard questions still unanswered in the Administration proposal. Thus at our November National Welfare Conference, we must study:

1. The *fiscal impact* on counties, especially in light of the proposed case load and benefit increases.

2. The *Administrative impact* on counties.

3. The *Manpower Training* impact.

4. The *related impacts* of various programs such as food and malnutrition, and family planning.

Again, Mr. Chairman, it is for these many reasons that we appreciate your calling these hearings. The record you build here will help us in our own crucial study. Our National Welfare Conference will produce fresh material and interpretations which we will be happy to share with your Committee and staff. It has been a pleasure for me to participate here today.

THE FITZGERALD AFFAIR IS A SETBACK FOR THE PENTAGON

Mr. PROXMIRE. Mr. President, an article written by Bernard Nossiter and published in the Washington Post of Friday, November 21, 1969, contains a perceptive analysis of the entire affair involving A. Ernest Fitzgerald and the Pentagon.

Mr. Nossiter observes that by abolishing Mr. Fitzgerald's job, the Pentagon is losing far more than just one man. What has been lost, he notes, is the Pentagon's plausibility on Capitol Hill and across the country.

On Saturday, I sent a letter to Attorney General John Mitchell asking for a thorough investigation of the Fitzgerald case. The U.S. criminal code makes it a crime, subject to a maximum 5-year jail sentence or $5,000 fine, to "influence, impede, intimidate" or to "injure" a witness who appears before a congressional committee. By harassing Mr. Fitzgerald for more than a year, and by ultimately firing him, officials at the Pentagon have very likely violated this criminal statute, and I have asked the Attorney General to determine who is guilty and to what extent.

Incidentally, this case is wholly unlike the case of Otto Otepka, as Mr. Nossiter points out. Otepka was charged with slipping classified documents out of the State Department to a congressional committee. Fitzgerald was invited to appear before my committee, and responded truthfully to all questions; at no time did he give us any classified documents.

I ask unanimous consent that Mr. Nossiter's article be printed in the RECORD.

I also ask unanimous consent that a statement I made on this matter at a press conference on Saturday and my letter to Attorney General Mitchell be printed in the RECORD.

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

[From the Washington Post, Nov. 21, 1969]

FITZGERALD AFFAIR: A PENTAGON SETBACK

(By Bernard D. Nossiter)

A. Ernest Fitzgerald has probably lost forever his job as the Air Force watchdog over costs. As Voltaire remarked on the execution of Admiral Byng, "It is good, from time to time, to kill an admiral, in order to encourage the others."

But there is reason to believe that, with the liquidation of Fitzgerald, the Defense Department is losing something far more important than one man, its plausibility on Capitol Hill and across the country.

For example, Southern Congressmen in general and Republican Southerners in particular have traditionally been among the Pentagon's strongest allies. But at least two of this special breed, Reps. Joel Broyhill of Virginia and William Dickinson of Alabama, can now be counted among the disenchanted. The results could be felt when the Defense Department next seeks money for its pet schemes.

In public, the distinguished looking Air Force Secretary, Robert Seamans, testifies that Fitzgerald's job was abolished on economy grounds. In private, his unfortunate aide, Spencer Schedler, is sent to the Hill to buttonhole congressmen and tell them that Fitzgerald was really fired because he wasn't "a team player." (The fact that Schedler "could not remember" his week-old remarks when questioned by senators is not regarded as an auspicious omen for his future).

"Who are they kidding," said Broyhill the other day. "They fired the one man who was trying to hold down costs." His colleague, Dickinson, talks in the same vein.

In congressional eyes, the military's treatment of Fitzgerald is hard to square with the West Point code, "Duty, Honor, Country," particularly the second of those resonant words.

There was Seamans, who built a brilliant reputation at NASA, saying he had never met a "responsible" military man who lied, struggling to establish that the Air Force unit charged with criminal and security investigations had opened a file on Fitzgerald before Seamans became Secretary. A routine call would have told him that the file was opened after he became Secretary.

Which is likelier, the Seamans story that the file was opened because Fitzgerald made news with his C–5A revelations or the version of Rep. William Moorhead (D-Pa), that the Air Force was trying to discredit Fitzgerald in the same way that General Motors had attempted to despoil Ralph Nader?

Reminded that Fitzgerald had been removed from oversight of major weapons systems and put to work examining areas mess halls and a bowling alley, what could lead Seamans to say sternly:

"Proper cost control of recreational facilities is not a matter to be taken lightly."

Most remarkable of all was Seamans' apology for his offhand slur last May, accusing Fitzgerald of leaking classified documents to the Hill. If that charge had stood up, Fitzgerald could have been blackballed for life from any work, private or public, in the defense area. Yet Seamans ignored two earlier requests from Fitzgerald to straighten out the records and does not retract the charge until he is directly questioned by inquiring congressmen, six months later.

The inquiry, under Sen. William Proxmire's Joint Economic subcommittee, will go on. It is now receiving help from the most surprising quarters, from outraged conservatives as well as the liberals traditionally suspicious of the Pentagon's ways. None of this is likely to restore Fitzgerald's job but probably not much sympathy needs to be wasted on him. He is tough—by his own account, I'm not going to roll over and play dead"—and intends to pursue his campaign to regain control of military costs.

Several business groups interested in the same goal have already offered him a job; there is also considerable congressional interest in finding him a post to continue his work on the Hill or for one of the arms of Congress.

This is not, like the case of Otto Otepka, a simple reward for a congressional informant. Otepka was charged with slipping classified "loyalty" reports to a congressional committee and was driven from the State Department for it. Fitzgerald stands accused of having been summoned to appear before a congressional committee and responding truthfully to a question not of his own making.

Beyond Fitzgerald's fate is the more interesting question of how the Pentagon will now fare on the Hill. The House Appropriations Committee is subjecting its requests to a new, and reportedly ferocious scrutiny. Will congressmen accept on their face Seamans' arguments next year for starting production of a multi-billion-dollar manned bomber in a missile age?

It is noteworthy that the Defense Department has already abandoned its fight for 39 more C–5As, a loss in sales to its biggest contractor of $1.5 to $2 billion. Clearly, a corner has been turned and the Fitzgerald affair has been a homely incident on this new route.

Above this is a still larger question. Organized society depends in the end on trust and belief. If the government's highest servants draw raucous laughter when they testify—and such was Seaman's unhappy fate on Tuesday—serious damage has been done. The former Marine commandant, Gen. Davis Shoup, tells us that "the military is indoctrinated to be secretive, devious and misleading." This may be sound tactics for war but it is not the way a country can be run. In the end, the Seamans, the Schedlers and the disingenuous generals may be doing more to tear down the fabric of society than the wild-eyed guerrilla bands that smashed windows in Dupont Circle and the Department of Justice.

STATEMENT TO THE PRESS BY SENATOR WILLIAM PROXMIRE, NOVEMBER 22, 1969

First I want to make it clear that this press conference does not mean that the Joint Economic Committee might not want to hold further hearings on this matter. I have called this press conference because I feel strongly that as a United States Senator I must act now—not only to protect the rights of Mr. A. E. Fitzgerald but to protect the capacity of Congress to secure the information it is entitled to have from the Executive Branch.

It is for this reason that I cite Title 18, section 1505, of the U.S. Code. The language of this statute is simple and clear.

"Whoever corruptly, or by threats of force or by any threatening letter of communication, endeavors to influence, intimidate, or impede any witness in any proceeding pending before any department or agency of the United States, or in connection with any inquiry or investigation being had by either House, or any committee of the Congress, or any joint committee of the Congress; or

"Whoever injures any party or witness in his person or property on account of his attending or having attended such proceeding, inquiry, or investigation, or on account of his testifying or having testified to any matter pending therein—

"Shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(June 25, 1948, ch. 645, 62 Stat. 770; Sept. 19, 1962, Pub. L. 87-664, § 6(a), 76 Stat. 551.)".

Now, consider what has happened to Ernest Fitzgerald before and after he appeared as a witness before the Joint Economic Committe last November.

Mr. Fitzgerald was a well trained, experienced, successful cost efficiency expert when he came to the Pentagon in 1965.

He was regarded so highly that in 1967 he was recommended by the Air Force for the Air Force Association's Citation of Honor. The Air Force justified its recommendation on the basis of Mr. Fitzgerald's exceptional contribution to the development, installation and utilization of improved management systems throughout the Department of Defense. Those are the words of the Air Force in 1967.

In 1966 he was the Air Force's candidate for the Civil Service Outstanding Performance Rating, a government-wide award.

In the course of his testimony before us on Tuesday of this week Air Force Secretary Seamans said of Fitzgerald, and I quote: "Mr. Fitzgerald's work, along with the efforts of many other civilian and military personnel, has resulted in a substantial improvement in the data gathering part of the weapons procurement financial control system." This recognition of Fitzgerald's outstanding performance as a government employee is perfectly consistent with the judgments of his superiors made before Secretary Seamans came to the Air Force.

In October of 1968 as Chairman of the Joint Economic Committee and of the Subcommittee on Economy in Government, I invited Mr. Fitzgerald to appear before our Subcommittee to testify on the sharply rising cost of Air Force procurement, with special reference to the giant cargo plane, the C-5A.

Mr. Fitzgerald discussed his appearance with his superiors in the Air Force and the Defense Department. He was warned by Robert Moot, Assistant Secretary of Defense, Comptroller, that if he appeared that would be—according to Fitzgerald's testimony—"blood on the floor." This ominous statement by itself was to use the language of the statute, an attempt to "influence, intimidate or impede" a witness.

On November 13, 1968, Mr. Fitzgerald appeared before the Subcommittee. He was authorized to be present by his Air Force superiors. But he was told not to prepare a formal statement, although I had asked him to do so. Mr. Fitzgerald followed the instructions of his superiors and did not prepare a formal statement.

Before he testified I asked if the Secretary of the Department of Defense was represented at the hearing. Commander Ed Dauchess said he was authorized to speak for the Pentagon. I asked Commander Dauchess whether Fitzgerald was free to answer questions put to him by members of the Subcommittee. Commander Dauchess said that Fitzgerald was free to do so.

I then asked Mr. Fritzgerald about the costs of the C-5A. Mr. Fitzgerald's answers were cautious and limited but he did give estimates of the Air Force at that time of the cost of the plane and the degree to which the costs exceeded the contract provisions according to Air Force estimates. My estimate based on the Fitzgerald testimony and other information was that the C-5A was suffering an overrun of nearly $2 billion.

And then the roof fell in on Mr. Fitzgerald.

If Fitzgerald had said or done anything out of line in any way after he testified before my Subcommittee last November, neither the Secretary nor anyone else has been able to think of it.

But after he testified as a witness, Mr. Fitzgerald suffered a series of clear reprisals.

Within twelve days after his testimony, the tenure he had been given in September was revoked on the grounds that it had been given as the result of a computer error. The computer had made less than one error for every five thousand actions. The error with respect to Fitzgerald had been signed by Audrey Kent, the civilian personnel chief of the Air Force. Was this a mistake or an harassment?

Two months later, my staff was able to secure a memorandum from the personnel director of the Air Force, John Lang, Administrative Assistant to the Secretary. The memo was written to Secretary of the Air Force Brown and set forth three ways to remove Mr. Fitzgerald. Nowhere in this memorandum was there any indication that the removal of Mr. Fitzgerald would contribute to economy, efficiency, or a better organization of the office. The third method suggested was called "rather underhanded."

Incidentally, when Mr. Fitzgerald was fired this month, the second method designated in this January memorandum was used. His job was abolished.

In my view the existence of this memorandum coming into being shortly after the Fitzgerald testimony and unrelated as it was to any economy action or office reorganization by the Secretary of the Air Force shows that Air Force officials were contemplating the ultimate obstruction of a Congressional inquiry by injuring a witness, which ultimate course they in fact followed this month when they fired Mr. Fitzgerald.

All of these actions took place before the new Administration took office and before Mr. Seamans became Secretary of the Air Force. After Mr. Seamans became Secretary, Mr. Fitzgerald was stripped of the responsibility for the cost of weapons systems, in spite of his demonstrated competence and the fact that he had been cited for his ability and service. Instead, he was given such assignments as analyzing the cost of a bowling alley in Thailand, and the operation of Air Force mess halls.

This is such a conspicuous harrassment and intimidation of a distinguished cost expert as to be ridiculous. Air Force Secretary Seamans had no explanation of this transfer other than that bowling alleys and mess halls are important, too. I find this explanation to be a cynical effort to cover up the truth.

In May of this year Secretary Seamans appeared before the House Armed Services Committee. In the course of that appearance he said, and I quote:

"Secretary SEAMANS. It is very interesting that in the testimony in front of a number of committees documents keep appearing, some of which are confidential, that were obtained from Mr. Fitzgerald."

This statement properly shocked the chairman of the House Armed Services Committee who responded:

"The CHAIRMAN. If I had a fellow like that in my office, he would have been long gone. You don't need to be afraid about firing him."

Mr. Fitzgerald's first knowledge of this allegation that he had breached security and disclosed classified documents was on September 25. He immediately wrote his superior, Assistant Secretary Schedler, protesting this charge and flatly denying that he had ever disclosed classified documents and asking for an opportunity to talk with Mr. Seamans about it.

Mr. Fitzgerald did not even receive the courtesy of an answer. That memorandum from Mr. Fitzgerald has not been answered to this day.

Again on October 26th Fitzgerald wrote a memorandum to Mr. Schedler asking for an opportunity to talk with Secretary Seamans about this allegation. And there has been no answer to that request.

It was not until Tuesday of this week, November 18, when I asked Secretary Seamans directly about this matter that he finally cleared Mr. Fitzgerald by saying, "I will say categorically now that Mr. Fitzgerald has not to my knowledge violated national security."

Here again Mr. Fitzgerald has suffered a clear harassment. For months, from May to November, he lived under a cloud as a violator of security. He has suffered from a charge which the Secretary of the Air Force has finally declared to be wholly false.

If this does not constitute harassment of this witness, what does?

In addition, Mr. Fitzgerald has testified—and neither Secretary Seamans nor Assistant Secretary Schedler has denied—that he has been isolated, ignored, and cut off from communications with others in his office. His conversations with the Secretary of the Air Force in whose office he had held a vital position was confined to about thirty minutes since last February.

And consider the man who was installed in July as immediate supervisor of Ernest Fitzgerald—Assistant Secretary Schedler. Who was Schedler? Who was the man who must have played a key role in the discharge of Ernest Fitzgerald? Schedler's expertise in military procurement costs was confined to employment by a small oil company in Texas and the Sinclair Oil Company. He also worked as advance man for the Spiro T. Agnew Vice Presidential campaign, helping to handle public relations while on vacation from his job at Sinclair Oil.

Even Mr. Schedler, Fitzgerald's immediate supervisor, has talked to Mr. Fitzgerald only five or six times and very briefly on each occasion in the period he has been on since July of this year.

This isolation is obvious and clear and it also constitutes a clear and conspicuous element in his injury on account of his having testified in a Congressional investigation.

Now we know a crime has been committed. The provisions of this statute have been clearly violated.

We know the victim is Ernest Fitzgerald, and we know an attempt was made to obstruct a Congressional hearing.

It is therefore the duty of the Department of Justice to identify the perpetrators of the criminal acts and to take the necessary actions against them, whoever they may be.

I have today written to the Attorney General asking for an immediate investigation into this affair. The law has been violated; its sanctions must be enforced. Someone should be fined or put in jail, or both. This is what the law calls for. The law should be enforced.

Here, in part, is what I have written to Attorney General Mitchell:

"The question that your investigation must now answer in my judgment, is whether there is law and order in the Department of Defense. Is this powerful agency somehow exempt from the Criminal Code which governs the conduct of everyone else? Is there a double standard in the law which permits persons in high places to break it when it suits their purposes?

Let me emphasize that this is in no way a partisan attack. Reprisals against Mr. Fitzgerald began during the Johnson Administration, and continued into the Nixon Administration. The ultimate reprisal, abolishing his job, occurred just a few weeks ago. However, it's likely that both Johnson appointees and Nixon appointees share responsibility for this affair.

Neither Democrat nor Republican, neither the Pentagon nor any other Executive agency, is exempt from the provisions of the Criminal Code. It is up to the Justice Department to investigate this case fully, and prosecute those who are responsible, regardless of political affiliation.

I believe the Federal government is on trial over the handling of the Fitzgerald affair.

NOVEMBER 22, 1969.

Hon. JOHN N. MITCHELL,
Attorney General of the United States, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: This is to request an immediate investigation of possible violations of the Criminal Code by the Secretary of the Air Force and other top

government officials in connection with the firing of Mr. A. Ernest Fitzgerald, Deputy for Management Systems, Office of the Assistant Secretary of the Air Force for Financial Management.

As you may know, it is a criminal offense to threaten, influence, intimidate, or impede any witness in connection with a Congressional investigation. It is also a criminal offense to injure any witness on account of his having testified to a committee of Congress. (See Title 18, Section 1505, U.S. Code.)

The offense carries a penalty of $5,000, or five years in jail, or both.

The facts surrounding the discharge of Mr. Fitzgerald indicate to me that both aspects of this law were violated. There were definite attempts to impede his testimony and there have been reprisals taken against Mr. Fitzgerald as a result of his testimony.

In other words, as far as this law is concerned, we have a violation and a victim.

In addition, Mr. Fitzgerald has alleged that mail addressed to him has been opened by the Air Force, and opened without his consent. He states that when he first learned of this practice, he complained about it to his superior and specifically asked that future mail addressed to him not be opened by any other person. Yet the practice continued, the letters were opened, including, I am told, letters that I addressed to him.

It seems to me that the laws providing for criminal penalties against those who take and open other people's mail should apply to members of the Air Force.

I wish, however, to place special emphasis on the reprisals taken against him following his testimony before this committee in November of 1968. A few days after he testified, he was stripped of his job tenure. According to the Air Force, this action was legal because an earlier action had been the result of a "computer mistake."

A few weeks later written supplemental testimony prepared by him for transmittal to the Committee was "doctored" without his permission. That is, testimony was changed by others.

Some weeks later, the Air Force Secretary received a memorandum from his Administrative Assistant detailing the ways that Mr. Fitzgerald could be fired. One of these ways—reduction in force—was in fact the one ultimately used.

Throughout this time, Mr. Fitzgerald lost his major responsibilities one by one, as they were taken from him by his superiors. Having been previously given responsibilities for the major Air Force weapons systems including the C–5A, Minuteman, and the F–111, Mr. Fitzgerald was reduced to looking after the construction of an Air Force bowling alley in Thailand.

In May of 1969, the Secretary of the Air Force, Robert C. Seamans, Jr., accused Mr. Fitzgerald of giving out confidential documents to committees of Congress. Mr. Seamans' accusation, along with other vague and unsupported charges, was made before the House Armed Services Committee in Executive Session. However, they were published and released to the public in September.

Mr. Fitzgerald has denied ever giving any unauthorized person a confidential document and, in the recent hearings on November 18, 1969, Secretary Seamans admitted that Mr. Fitzgerald was correct. However the false accusation had been made and some damage to Mr. Fitzgerald had been done, in my opinion.

Mr. Seamans also admitted that a security investigation of Mr. Fitzgerald had been done by the Air Force, although the Secretary preferred to use the term "inquiry." According to Mr. Seamans, this "inquiry" was begun as a routine matter following Mr. Fitzgerald's testimony in November 1968, as a result of the publicity received at that time.

However, it now appears that the "inquiry" was not begun in 1968, but was begun in 1969, after Mr. Seamans became Secretary of the Air Force.

The official explanation for firing Mr. Fitzgerald seems to be that it was for reasons of economy. I believe any impartial observer would have a hard time accepting this explanation in view of the enormous contributions to economy made by Mr. Fitzgerald in the past few years and his dedicated fight to eliminate waste and inefficiency.

In fact, the Air Force itself recognized Mr. Fitzgerald's value, at least up until the time he testified before this Committee. In 1967, Mr. Fitzgerald was nominated by the Air Force as the outstanding Federal employee of the year.

Let me give you a word of warning at this point. When you inquire about these matters with Mr. Seamans, he will probably tell you that Mr. Fitzgerald was not fired. Rather, he will maintain, as he did before my Committee, that Mr. Fitzgerald was not fired, his job was abolished. I suppose Mr. Seamans can appreciate whatever subtle distinction there is between firing a man and abolishing his job. I might say that Mr. Seamans' distinction won the loudest guffaws of the day during the hearing.

On the other hand, it is no laughing matter for Mr. Fitzgerald. Underneath the cynical explanation offered to my Committee is the hard fact that a dedicated and conscientious Federal employee has lost his job because he testified to a Congressional committee.

The question that your investigation must now answer, in my judgment, is whether there is law and order in the Department of Defense. Is this powerful agency somehow exempt from the Criminal Code which governs the conduct of everyone else? Is there a double standard in the law which permits persons in high places to break it when it suits their purposes?

I eagerly await results of your investigation.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

HONOR FOR TRUMAN IS OVERDUE

Mr. YOUNG of Ohio. Mr. President, the place that Harry S. Truman holds in the hearts of his countrymen is unsurpassed by that of any other American statesman of this century. It is only 17 years since he left the Presidency, but historians have already recognized the fact that he was one of our greatest Presidents. His deeds become greater in perspective with each passing day. His place in history is secure.

In foreign affairs, he assured the security of our country during the bleak years of the cold war, and he extended generous support to the peoples of the free world at a time when that help was sorely needed.

It is a great tribute to his foresight that he launched efforts to create many vitally important domestic programs which were strongly opposed during his administration but which have now become the law of the land. The extension of voting privileges of all Americans, medical care for the aged, and recognition of the necessity to support aid to education were a few of the farsighted domestic programs recommended by President Truman which were eventually enacted into law.

Students of American political history looking back on the Truman era will almost universally agree that his whistle-stop campaign for the Presidency at a time when Republican candidate Dewey was quoted at 15-to-1 odds to win election was the most tremendous and courageous campaign against great odds ever waged by any presidential candidate. Harry S. Truman won that election as I knew all along he would.

It is one of the highest privileges of my lifetime that I served in the House of Representatives at a time when Harry S. Truman was President of the United States. He was most friendly and generous to me. He manifested his friendship not only while I was Representative-at-Large from Ohio, but later, in 1958, he generously offered to come into Ohio and campaign for my election to the U.S. Senate.

His campaigning at various meetings throughout Ohio, starting with Akron and Columbus and elsewhere, before huge crowds lifted my campaign for election off the ground.

Frankly, I know I would not be here today except for the fact that former President Truman spoke to Ohio audiences in 1958 and again in 1964. I have a most affectionate regard for him. Harry S. Truman is without any doubt whatever one of our greatest Presidents. I know that all of us wish him continuing good health.

President Truman has stated he wishes no historic site dedicated to him during his lifetime. In my opinion, his views should be disregarded in that respect. I suspect this is the only time I have ever disagreed with any statement he has made. No American is more deserving of such recognition from his fellow citizens than Harry S. Truman, the most beloved American of our time.

Mr. President, the Plain Dealer, of Cleveland, Ohio, on November 14, 1969, published an excellent editorial entitled, "Honor for Truman is Overdue," urging the establishment of an historic site to honor Harry S. Truman as soon as possible. I ask unanimous consent that the editorial be printed in the RECORD.

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

HONOR FOR TRUMAN IS OVERDUE

It is strictly in character for former President Harry S. Truman to tell the National Park Service he wants no historic site dedicated to him during his lifetime.

We beg to differ with Mr. Truman. And we believe others, in the Congress and in the National Park Service, should do the same.

Mr. Truman is the only former president of the United States in this century not yet so honored. The fact that he lives on (at 85, good health to him!) is not sufficient reason to delay further an honor that already is long overdue.

Harry S. Truman, as President, was a fighter and a man of decision. History has showed that he was the kind of a man his country needed in the closing days of World War II and in the postwar period.

He made the hard decision to use the atomic bomb to hasten the war's end, and later he turned national and world thinking in the direction of peaceful uses for the atom.

He gave steadfast support to alliances that might help maintain peace in the world. He gave strength and backbone to the United

Nations and to the North Atlantic Treaty Organization. He implemented the Marshall Plan which spurred Europe's post-war recovery. With the Point 4 program he pioneered a movement to provide aid to underdeveloped countries.

He resisted, and effectively so, Communist aggression with the Truman Doctrine, the Marshall Plan aid program with troops in Korea and with an airlift to blockaded Berlin. Most historians say President Truman saved Europe and several other areas from communism.

At home Harry S. Truman was no less a leader. He took forceful actions to end crippling national strikes. He improved the nation's defense posture with unification of the military services under a single command. He built the people's confidence in their own and their country's future.

A historic site to honor Harry S. Truman? Certainly, and the sooner the better. Many feel his historic decisions mark him as one of the great presidents of the century.

THE AMERICA WE SEEK

Mr. HART. Mr. President, on November 15, the junior Senator from South Dakota (Mr. McGOVERN) spoke to the huge Vietnam mobilization rally in Washington about what was clearly the spirit of that gathering.

There have been attempts to characterize the people who took part in that demonstration, the largest in Washington history, as disloyal or un-American. Such descriptions are both untrue and unwise. As Senator McGOVERN pointed out, the overwhelming majority of those who took part were here because they "love America enough to call her to a higher standard, enough to call her away from the folly of war to the blessings of peace."

Mr. President, I ask unanimous consent that Senator McGOVERN's remarks, entitled "The America We Seek," be printed in the RECORD.

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

THE AMERICA WE SEEK

(By Senator GEORGE McGOVERN, Demcorat, of South Dakota)

My fellow citizens, we meet today at this historic place because we love America.

We love America enough to call her to a higher standard.

We love America enough to call her away from the folly of war to the blessings of peace.

We meet today because we cherish our flag.

We would raise the flag out of despair and division to the higher ground of faith and love.

We are prepared to die for the enduring ideals of our country, but we would prefer to live for those ideals. We would prefer to live and labor for a world at peace.

The barracks' ballad sings "Old soldiers never die," but the endless crosses on a thousand fields remind us that too many *young* soldiers have died.

"In peace," the ancient historian wrote, "children bury their parents; war violates the order of nature and causes parents to bury their children."

So we are here as American patriots, young and old, to build a country, to build a world, that seeks the ways to peace—that teaches war no more.

We meet today to reaffirm those ageless values that gave us birth—"life, liberty, and the pursuit of happiness."

We meet to declare peace—to put an end to war, not in some vanishing future, but to end it *now*.

We meet to say to young Americans 10,000 miles from this place and to grieving families—American and Vietnamese alike—"we are our brother's keeper."

We meet today to demonstrate that 40,000 young Americans did not die in vain. We are determined to learn and to act on the bitter lessons purchased by their blood.

We meet to affirm the claims of conscience and life over the bondage of fear and hate. There is in our hearts a special sorrow for those who die in battle, for those who are scarred and wounded, for those who are held prisoners. But, in a larger sense, we are all prisoners of war. And we long to be free.

We meet, not in impudence or violence, but in humility and grace.

We meet to seek a newer and finer America.

We seek an America that draws on the richness of the past—illuminated by our vision of the future.

What is the America we seek?

We seek an America with the sense of proportion and priority that inaugurated our Constitution—"to form a more perfect union, establish justice, insure domestic tranquility . . . and secure the blessings of liberty. . . ."

That document, with its Bill of Rights 200 years old, should be our constant inspiration—"freedom of religion," "speech," press—"the right of the people peaceably to assemble and to petition the government for a redress of grievances."

Let no American—no teacher, no student, no preacher, no politician, no journalist, no television commentator—be frightened out of his constitutional rights by those who preach repression and intimidation.

What is the America we seek?

We seek an America that in the spirit of 1776 permits other nations to determine their own future. We reject the notion that self-determination for others is achieved by the intervention of ourselves.

What is the America we seek?

We seek an America that would make the armed forces, not our masters, but the handmaiden of a sensitive civilian authority.

We seek an end to the draft now. We would replace the draft with the time-honored American practice of voluntarism. We would replace compulsion with a new call to alternative service because we build a nation that claims our pride and devotion.

We seek an America that would replace a national budget dominated by war with a budget devoted to the quality of life. We know that the test of our will is not whether we add to the abundance of those who have too much, but whether we provide enough for those who have too little.

What is the America we seek?

We seek an America not so concerned with whether we lower our voices or raise our voices, but that is profoundly determined to voice the truth.

We seek, not to guess what the silent majority may be thinking, but to recall the words of Emerson: "If a single man plant himself on his instincts and there abide, the huge world will come round to him."

We seek an America that understands the power of gentleness—that would "tame the savageness of man and make gentle the life of the world."

We say to those who would divide Americans against Americans by appeals to ignorance, passion and fear—"you do your worst, and we will do our best."

So let me close on that timeless admonition: "Be strong and of good courage; be not afraid; neither be thou dismayed."

"To everything there is a season and a time to every purpose under the heaven: a time to keep silence, and a time to speak; a time to love, and a time to hate; a time of war, and a time of peace."

God grant that you and I will be effective instruments in making this time of war a time of peace.

ADDITIONAL NAMES OF CALIFORNIANS KILLED IN VIETNAM

Mr. CRANSTON. Mr. President, between Monday, November 17, 1969, and Friday, November 21, 1969; the Pentagon has notified 10 more California families of the death of a loved one in Vietnam.

Those killed were:

Pfc. Charles R. Alex, husband of Mrs. Joyce E. Alex, of Gardena.

Pfc. Mark W. Burchard, son of Mr. and Mrs. Earl O. Burchard, of Sacramento.

Pfc. David R. Castillo, husband of Mrs. Grace C. Castillo, of San Fernando.

Sp4c. George R. Fazzah, son of Mr. and Mrs. Richard G. Fazzah, of Fullerton.

Pfc. Thomas L. Graves, husband of Mrs. Ruby Y. Graves of Cudahy.

Pfc. Scott W. Iggulden, son of Mr. Warren D. Iggulden, of Burkbank.

Lance Cpl. James A. Jackson, ward of Mr. and Mrs. John W. Warr, of Lakewood.

Sp5c. Cleatus P. Kimble, brother of Mr. Charles Kimble, of Santa Barbara.

Sp5c. Randolph V. Rhea, son of Mr. and Mrs. Milton A. Rhea, of Fullerton.

Lance Cpl. Arthur N. Welch, husband of Mrs. Wanda G. Welch, of El Monte.

They bring to 3,884 the total number of Californians killed in the Vietnam War.

THE SACRED COWS ARE BAWLING

Mr. HANSEN. Mr. President, the distinguishd Senator from Arizona recently drew much applause from the American public when he remarked on the reaction of television network presidents to the Vice President's important speech at Des Moines.

The accomplished editor of the Wyoming State Tribune in Cheyenne keyed an editorial to Senator FANNIN'S comment and further elaborated on the matter.

One point of the editorial, it appears to me, is that Vice President AGNEW has the same right to freedom of speech that network commentators enjoy. I ask unanimous consent that the text of Mr. Jim Flinchum's excellent editorial be printed in the RECORD.

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

THE SACRED COWS ARE BAWLING

"The plain fact is the Vice President has applied a prod to a sacred cow and the bellowing is being heard across the land."—Senator PAUL FANNIN, Republican, of Arizona.

In August 1968, they sneered, chortled or looked questioningly when the name of the man Richard Nixon had suggested as his vice presidential running-mate on the Republican ticket was mentioned. Agnew? they all asked in mock seriousness, who is he?

Ever since, the smart-alecks, wet pants liberals in this country and the know-it-all commentators have taken a condenscending attitude toward Spiro T. Agnew, who supposedly had suffered the fate of all Vice Presidents in this country. That is, up until a few weeks ago.

But no longer is Spiro T. Agnew the un-

known, assigned to a hopeless job of either presiding over a Senate that does not accept him as one of its own, or of attending presidential cabinet meetings of which he is not a member. Nobody any longer asks, "Who is Spiro T. Agnew?"

The Vice President suddenly has emerged in a role thought most unlikely for him, a popular sort of hero of Everyman, willing to joust with all sorts of lordly vested interests. The shrieks, moans and outcries that are going up are absolutely fascinating to behold.

Most of the response comes from an area that can ill afford to complain about criticism, the news media itself, and especially and primarily the TV networks who for their own part have never held back from their virtuous duty of stomping on little ducks if they felt so inclined, and who now squeal like stuck hogs when somebody dishes out the same treatment to them.

One of the first, and predictable, rebuttals was that freedom of the press or speech, the latter being more applicable to the broadcast media, is in peril by the Vice President's salty remarks at Des Moines.

Others like Sens. Edward M. (Ted) Kennedy, D., Mass., and Stephen M. Young, D., Ohio, take a different tack. Kennedy, in referring to Agnew's remarks about Honest Ave Harriman, the Johnson Administration's ambassador to the Paris peace talks, said that "to casually degrade this man's views and opinions is to dismiss some of the most significant and proud moments in our recent history." Such as what? Agnew's remarks about Harriman's attack on the Thieu government as "unrepresentative" of the South Vietnamese people? Harriman's call for the Senate Foreign Relations Committee to debate the Vietnam War issue again? Harriman's stated belief that the Viet Cong or the Hanoi government really do not want a military takeover of South Vietnam?

As for Senator Young, who retires at the end of his present term and who has been a Senate "dove" for a long while, he spoke in his customary dulcet tones: "These dimwitted, unscrupulous, reckless speechwriters in the White House presented the Vice President with a vicious, irresponsible and untruthful assault on Averell Harriman which he recited perfectly." That comment should speak for itself.

Another remark for which the source should be considered is NBC's Chet Huntley who asked if Agnew had declared "war on the press, radio and television of this country?" Huntley should be reminded that Agnew spoke about the TV networks and not about press or radio. He and the other wounded pigeons also should be reminded that Agnew said this:

"Tonight, I have raised questions. I have made no attempt to suggest answers. These answers must come from the media men. They are challenged to turn their critical powers on themselves.

"They are challenged to direct their energy, talent and conviction toward improving the quality of news presentation. They are challenged to structure their own civic ethics to relate their great freedom with their great responsibility.

"In tomorrow's edition of the Des Moines Register you will be able to read a news story detailing what I said tonight; editorial comment will be reserved for the editorial page, where it belongs. Should not the same wall of separation exist between news and comment on the nation's networks?

"We would never trust such power over public opinion in the hands of an elected government—it is time we questioned it in the hands of a small and unelected elite. The great networks have dominated America's airwaves for decades; the people are entitled to a full accounting of their stewardship."

The TV commentators have never been reluctant to criticize government or individuals; but when it comes their turn to get a public roasting, they cry that they are in danger of losing their fundamental constitutional rights.

Are they such sacred cows that they must be regarded as above any criticism while they themselves freely dish it out?

The networks and their defenders ought to calm down and do a little introspective analysis of themselves, for it is clear their image is a bad one in most American homes. And that bad image can't be blamed on the set in this case.

RESPONSIBLE REPORTING AND FREEDOM OF SPEECH

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from the President of the National Small Business Association, addressed to the Vice President, dated November 21, 1969, and a resolution by the members of the executive committee of that association bearing the same date.

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

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., November 21, 1969.

Hon. SPIRO T. AGNEW,
Vice President of the United States,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The undersigned, members of the Executive Committee of the National Small Business Association in a Special Meeting held in Washington, D.C. this date, approved the attached Resolution supporting your position as stated in your speeches on the subject of responsible reporting and freedom of Speech.

We applaud and urge your continued expressions which you have so ably presented in your recent public statements.

Sincerely yours,

Rufus W. Gosnell, President; Carl A. Beck, King of Prussia, Pa.; Harry E. Brinkman, Cincinnati, Ohio; Frank M. Cruger, Indianapolis, Ind.; L. M. Evans, Fort Lauderdale, Fla.; Rufus W. Gosnell, Aiken, S.C.; John Lewis, Annandale, Va.; A. F. Mathews, Saginaw, Mich.; Richard H. Simpson, Peoria, Ill.; Lloyd E. Skinner, Omaha, Nebr., Members of the Committee.

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE NATIONAL SMALL BUSINESS ASSOCIATION, NOVEMBER 21, 1969

Whereas Vice President Spiro T. Agnew has forcefully reminded the American people that Freedom of Speech is a functional bulwark of American democracy; its expression, whether "liberal", "conservative", or of whatever nature must be protected fully in accord with constitutional guarantees;

Its corollary, freedom of the press, including electronic news freedom, carries with it an obligation to report newsworthy events and statements objectively, impartially, and fully regardless of their liberal, conservative or political orientation; and

Whereas, The Executive Committee of the National Small Business Association heartily concurs in those views as expressed by the Vice President,

Therefore, Be It Resolved, That the Members of the Executive Committee of the National Small Business Association, meeting in Special Session on Friday, November 21, 1969, commend the Honorable Spiro T. Agnew, The Vice President of the United States, for his efforts to secure more truthful, complete and responsible reporting by the nation's news media.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TAX REFORM ACT OF 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. H.R. 13270, an act to reform the income tax laws.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. LONG. Mr. President, before commencing my presentation on the pending measure, I should like to state that, in a little while, I am going to ask unanimous consent that the committee amendment in the nature of a substitute be agreed to and, as agreed to, be considered as original text for the purpose of amendment. The reason for that is that we will be under a very clumsy parliamentary situation during the consideration of the bill unless we are able to obtain the agreement. I am not going to ask for it at this time, because not many Senators are in the Chamber.

I have explained that in the absence of the unanimous-consent request, the House bill will be subject to amendment, and any amendment to the Senate committee substitute can be considered only after the Senate votes on amendments to the House bill. It is a better procedure to gain consent that the committee substitute be agreed to and then be subject to amendments in both the first and second degree.

Having discussed this with a number of Senators, I now ask unanimous consent that the committee amendment in the nature of a substitute be agreed to and, as agreed to, be considered original text for the purpose of amendment.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Any Senator who prefers the House language will find it before him on his desk, and all he need do is simply to move that whatever lines he would like to offer in the House bill be substituted at the appropriate place in the Senate bill.

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

Mr. LONG. I yield.

Mr. ERVIN. As I understand it, the result of the action taken by the Senate, at the request of the Senator from Louisiana, is that the only matter now pending before the Senate is the committee amendment in the nature of a substitute.

Mr. LONG. Yes.

Mr. ERVIN. And we can ignore the other document, the House bill itself; and the Senate Finance Committee amendment in the nature of a substitute,

and any amendments which may be proposed on the floor of the Senate to this substitute, will be the only matters pending before the Senate.

Mr. LONG. Yes. I urge that the Senator keep the House-passed bill available, because some Senators will like something in the House bill that the Senate committee saw fit to amend, and if they would prefer to substitute that language, it is there for them. There will be another document on the Senator's desk, as we consider this measure, a summary of the bill which will go section by section and show what the House did and what the Senate did. If one doubts the wisdom of the Senate committee in making the amendment, he will have the language before him and can simply offer the House language as a substitute for the Senate committee action.

Mr. ERVIN. I thank the Senator from Louisiana for the action he has taken, because it simplifies, as far as possible, the most complex problem that could possibly confront the Senate.

Mr. LONG. Mr. President, I thank the Senator for his cooperation. We are confronted with what I believe to be the most complex bill in the history of the Senate. The bill before us consists of 585 pages, plus; and without this unanimous-consent agreement, I think there would be perhaps 900 pages. I believe this is the best parliamentary way to proceed. This bill, including total amendments, has about 700 amendments.

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

Mr. LONG. I yield.

Mr. GRIFFIN. Mr. President, the Senator from New York (Mr. JAVITS) spoke to me about being sure that no unanimous-consent agreements were arrived at in connection with the length of time for debate. The Senator from New York is not here this morning. I am exercising a certain amount of discretion in connection with the unanimous-consent request. I cannot imagine he would object to having the Senate bill before us so the Senate can work its will. I think it is of advantage to have amendments in the first and second degree offered and considered.

We are checking with the office of the Senator from New York to see if he has any objection. I do not believe he would have. I have been trying to watch out for his interest.

Mr. LONG. I do not believe he would have objection. The Senator is interested in several things in the bill, and I am aware that he does intend to offer some amendments. I do not believe the amendments he has in mind would be prejudiced by this procedural motion. If by any reason he is prejudiced, I would be glad to reconsider our position.

Mr. GRIFFIN. I thank the Senator.

Mr. LONG. I understand what the Senator from New York has in mind. He does not want to be foreclosed from offering his amendments. I believe he had several amendments in mind. The Senator does represent the financial capital of the United States, and he is certainly concerned about some provisions of the bill, and he would want to amend them. I would not want to prejudice him in any fashion, just as the Senator from Michigan does not want his procedural rights prejudiced. I do not think this will do so.

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

Mr. LONG. I yield.

Mr. WILLIAMS of Delaware. Mr. President, I agree with the Senator from Louisiana, the chairman of the committee and I support his unanimous-consent request. This is the only orderly procedure we can follow if we are going to reach the ultimate goal of getting the bill through the Senate. Otherwise, we would have two bills before us simultaneously.

Personally, I would have preferred to have this in one bill; but the majority decided they wanted the substitute bill, and the bill has been rewritten, so I am going along with it.

I think the request should be agreed to because otherwise we would never get it passed.

Mr. LONG. I thank the Senator.

Mr. WILLIAMS of Delaware. Will the Senator yield further?

Mr. LONG. I yield.

Mr. WILLIAMS of Delaware. Mr. President, many Senators are wondering if we are going to delay votes for 3 or 4 days.

I would like to send an amendment to the desk in order that Senators will be on notice that we will be voting today.

Mr. LONG. If we do not discuss it now the Senator can send it to the desk. I yield for that purpose.

Mr. WILLIAMS of Delaware. I shall not discuss it until after the Senator has made his remarks.

Mr. LONG. I would be happy to have the amendment printed but I do not want it called up. Is that satisfactory?

Mr. WILLIAMS of Delaware. I would like to have submitted the amendment, but I shall wait and get the floor in my own right.

Mr. LONG. I would be glad to have the Senator send the amendment to the desk and have it printed, but not called up.

The Senator does desire to call up his amendment; is that correct?

Mr. WILLIAMS of Delaware. Yes, so that the Senate will be on notice. But if the Senator wishes to make his statement first——

Mr. LONG. I suppose if the Senator wants to offer his amendment, it is all right with me to send it up.

Mr. WILLIAMS of Delaware. Mr. President, I send the amendment to the desk and ask that it be stated. Then we can withhold debate until later.

Mr. LONG. I hope the Senator will call up his amendment for consideration immediately after the statement on the bill. I will ask unanimous consent that his amendment be made the pending business at the conclusion of my remarks.

Mr. WILLIAMS of Delaware. That is all right.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. LONG. Now, if the clerk will state the amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 336 of the committee amendment beginning with line 23, strike out all through line 6 on page 339.

(The language sought to be stricken is as follows:)

"(3) SPECIAL LIMITATION FOR CERTAIN OIL AND GAS WELLS.—In the case of a taxpayer whose aggregate gross income (for purposes of paragraph (1)) from oil and gas wells during the taxable year is less than $3,000,000, the allowance determined under paragraph (1) with respect to any property in an oil or gas well shall not exceed 65 percent, in lieu of 50 percent, of the taxpayer's taxable income from the property (computed without allowance for depletion). For purposes of this paragraph, in determining whether the taxpayer's gross income for the taxable year from oil and gas wells is less than $3,000,000—

"(A) the gross income of another person from oil and gas wells shall be considered as the gross income of the taxpayer to the same extent that stock owned by such other person would be considered as stock owned by the taxpayer under the rules of section 318(a), except that for purposes of this subparagraph—

"(i) section 318(a)(1)(A)(ii) shall apply only if the taxpayer or the child or grandchild is a minor at the close of the taxpayer's taxable year; and

"(ii) '10 percent' shall be substituted for '50 percent' in subparagraph (C) of sections 318(a)(2) and (3); and

"(B) notwithstanding subparagraph (A), if the taxpayer is a component member of a controlled group of corporations (as defined in section 1563) the taxpayer shall be considered as having received all of the gross income from oil and gas wells received by other members of the controlled group.

The gross income of other persons taken into account under subparagraphs (A) and (B) shall be for taxable years of such other persons ending with or within the taxpayer's taxable year.

"(4) SPECIAL RULE FOR COMPUTING TAXABLE INCOME.—For purposes of this subsection, the allowable deductions taken into account with respect to expenses of mining in computing the taxable income from the property shall be decreased by an amount equal to so much of any gain which (A) is treated under section 1245 (relating to gain from disposition of certain depreciable property) as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231, and (B) is properly allocable to the property."

(b) CONFORMING AMENDMENTS.—

(1) Section 318(b) (relating to cross references) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and", and by inserting after paragraph (8) the following new paragraph:

"(9) Section 613(a)(3) (relating to special limitation on percentage depletion on oil and gas wells)."

(2) Section 614(d) (relating to definition of operating mineral interest) is amended by inserting after "50 percent limitation" the following: "(or other limitation based on a percentage of taxable income)".

The LEGISLATIVE CLERK. On page 336 of the committee amendment, lines 2 and 3, strike out "paragraphs (2) and (3)" and insert "paragraph (2)".

Mr. LONG. I am not aware what the amendment provides.

Mr. WILLIAMS of Delaware. I shall explain it later.

The ACTING PRESIDENT pro tem-

pore. Does the Senator ask unanimous consent that the amendments be considered en bloc?

Mr. WILLIAMS of Delaware. Yes; consider it as only one amendment.

Mr. LONG. Mr. President, reserving the right to object. I do not know what the amendments are. I would like to see what it is before consenting to the request. It is all right with me that the Senator submitted his amendment, and after I know what it is I will see if I can agree to it.

Mr. WILLIAMS of Delaware. It merely strikes out the provision relating to special limitation for certain oil and gas wells.

The ACTING PRESIDENT pro tempore. The Chair wishes to state that the amendment would affect two different places in the bill.

Mr. LONG. Mr. President, in due course, when I look at the amendment, I may be willing to accept it. However, I would rather reserve decision on it.

Mr. BYRD of Virginia. Mr. President, did the Senator from Louisiana propound a unanimous-consent request?

Mr. LONG. The request was that the committee amendment be agreed to and that it be regarded as original text for the purpose of further amendment. As a procedural matter, that means any amendment that any Senator wants to offer would be to the committee amendment rather than to the House bill. Otherwise, amendments would have to be offered to both bills simultaneously because amendments to the House bill would take precedence.

Mr. BYRD of Virginia. If the request of the Senator from Louisiana is not agreed to, the effect would be to have two bills before us. Is that right?

Mr. LONG. Yes, and both bills would be subject to amendment in the first and second degree. The result would be a confused parliamentary situation. If a Senator wanted to amend the House bill, he would not know if he would be amending the bill that he would be voting on finally. The same thing is true with respect to the Senate bill.

The effect is that we will be proceeding on a committee substitute which amounts to a clean bill on which one can offer amendments in the first or second degree.

Mr. BYRD of Virginia. I thank the Senator. It seems to me that is the orderly procedure.

Mr. LONG. Mr. President, I believe that was the procedure in connection with the Revenue Act of 1954, which was, in effect, a rewrite of the entire income tax law. That is what we have here.

Mr. BYRD of Virginia. I thank the Senator.

Mr. LONG. Mr. President, when the Finance Committee began public hearings on the Tax Reform Act of 1969 I referred to the bill as "368 pages of bewildering complexity." It is now 585 pages and, although a host of the more complicated features of the House bill have been simplified—greatly simplified—by the Committee on Finance, it is still a very complex measure. Much of this complexity stems from the many sophisticated ways wealthy individuals—using the best advice that money can buy—have found ways to shift their income from high tax brackets to low ones, and in many instances to make themselves completely tax free. It takes complicated amendments to end complicated devices.

Fortunately, I can report to the Senate that the ordinary taxpayer will rarely be affected by the complex features of this bill. To the contrary, as I shall demonstrate later in my prepared statement, tax reporting will be made simpler for more than 16 million returns—many of them the joint returns of a husband and wife. For these Americans, this bill will bring rich dividends in addition to simplification—dividends in the form of tax reduction through general lowering of the individual income tax rate structure, and dividends in the form of greater tax equity and greater tax justice.

As the Members of the Senate well know there is a great demand for tax reform. Throughout the country, our people are paying high tax rates and bearing heavy tax burdens. They want to make sure that their taxes are fair. They are willing to pay their share of the tax burden, but they do not want to bear someone else's tax burdens. There is nothing that makes a man so angry and discouraged as the feeling that other people are not paying their taxes and are putting their tax burdens on his back.

I think there is a widespread feeling throughout the country that our tax system is now not as fair as it should be. Joe Barr, when he was Secretary of the Treasury, pointed out the nature of the problem that faces us when he cited 154 individuals with incomes of $200,000 or more in 1966 who paid no income tax. There were even 21 individuals with incomes of $1,000,000 or more in that year who paid no tax. These are only the most striking cases. There are many more cases where people with large incomes pay very little tax—much less in relation to their income than people with modest incomes are required to pay under present law. This is not good for the country and it is not good for the tax system. We rely very heavily on income taxes in this country to get the money that the Government needs to pay its expenses, and these income taxes are primarily collected under a self-assessment system. If taxpayers are generally to keep on paying their taxes voluntarily, they must feel that the taxes are fair. In addition, we must have a fair tax system because we can keep the tax burden at a level which is tolerable for all taxpayers only if the burden is shared fairly.

So the country not only needs tax reform—it needs tax reform soon. I therefore agreed with the leadership of the Senate that, as chairman of the Committee on Finance, I would do all I could to try and have the committee order a comprehensive tax reform bill reported to the Senate by October 31. I might say that I am extremely proud that the members of the committee—Republican and Democrat alike—cooperated in every conceivable manner to help me make good on the agreement I had made. We did order the bill reported on October 31; and I am the first to acknowledge that it could not have been possible without the remarkable dedication and teamwork that every member of the committee brought to bear on this bill.

I think it is hard to convey to anyone who has not been through this himself just how enormous a job it has been to produce the tax reform legislation that is now before us and how hard the individual members of the Finance Committee have worked to meet the deadline for reporting the bill. On September 4, immediately following the congressional recess, the committee began hearings on this bill. These extended over 23 days and the committee heard over 300 witnesses. The record of the hearings covers over 7,000 pages. After completing its public hearings, the committee considered the bill in 16 days of executive session in October—both morning and afternoon sessions—and let me assure you that in these executive sessions we gave all aspects of the bill a thorough examination and analysis. For example, there were 457 motions made on specific provisions. The final product—the bill itself—covers 585 pages.

Actually, the job of producing a bill of this size is so great that under ordinary circumstances it could be expected to take over a year. The fact that the Finance Committee has reported this bill with its enormous scope and necessarily complex provisions shows the extra effort in terms of both long hours and hard work that the individual committee members have been willing to apply to this important legislation. I would like at this time to thank each and every member of the committee for his contribution to the measure.

I am aware that the Members of the Senate have only recently received copies of the tax reform bill and the committee report. However, the committee has taken great pains to keep the Senate advised regarding the bill at every stage of its development. In order that the Senate might be kept informed about the issues the committee inserted into the CONGRESSIONAL RECORD daily summaries of the oral statements of the witnesses who testified at the public hearings. During the period of time that the committee was in executive session, daily press conferences were held. In addition, to alert the Senate on the specific decisions, summaries of the decisions were inserted in the CONGRESSIONAL RECORD on a daily basis.

Furthermore, all the announcements of the committee's work were compiled into a single document and I personally sent a copy of this document to every Senator on November 4. Finally, so that all Senators could be kept up to date on the most recent developments before the committee report became available, a rather exhaustive summary of the provisions of the Tax Reporm Act was published last Tuesday, November 18, and I wrote each Senator a personal letter urging that he study this summary—which was attached—and acquaint himself with the many complex and detailed amendments in the bill before formal debate on the measure actually began. Finally, the committee report contains a short summary of the principal provisions in the tax reform bill which appears near the front of the report.

Let me turn now and say a few words about the philosophy of the tax reform

bill the committee has reported. This bill emphasizes equity. That is what the whole affairs is about, and, although the committee has made many amendments to the House bill, in this respect there is little difference between the committee's bill and the bill passed by the House. Actually, the bill now before us is, in a great many respects, very similar to the House bill. This reflects the fact that both bills have a common goal—a fairer and more efficient tax system. In fact, the Finance Committee regards its amendments as building on the basic foundation provided by the House bill.

I hope that in evaluating this bill my distinguished colleagues will keep in mind that it represents a consensus measure. Because of its vast scope and the need to be comprehensive, the bill includes a large number of complex and far-reaching provisions. It is not reasonable to expect any Senator to be in complete agreement with each and every provision. I myself do not agree with some of the provisions.

For example, as you well know, I did not agree with the committee's decision to reduce percentage depletion allowances for oil and gas and I voted against this decision. Nonetheless, I want to emphasize that I am wholeheartedly in favor of adoption of the bill because it represents the most fundamental and far-reaching reform measure since the adoption of the income tax.

I have previously characterized this bill as the third most significant tax measure in our history—surpassed only by the enactment of the original income tax in 1913, and the massive tax-cutting Revenue Act of 1964 which I was also privileged to manage in the Senate. On reflection, I think perhaps this bill is even more significant than the 1964 act. The combination of $7 billion of revenue-raising tax reforms in this bill and the $9 billion of tax cuts will have a vastly greater impact on business, investment and consumer decisions than the 1964 act exerted. But, in addition, this bill focuses attention on basic shortcomings in our tax law and does something about them.

I would strongly urge the distinguished Members of the Senate to view the bill as a whole.

Please weigh the bill on its overall merits rather than on the basis of some specific provision which you think might be improved. If we do this there will be little doubt as to the outcome. If, on the other hand, each of us is going to try to delete from the bill some particular provision to which he objects or seeks to add provisions reflecting his own personal philosophy of taxation, then there is serious danger we will not be able to pass any tax reform bill this year. I therefore strongly urge my distinguished colleagues to weigh whatever changes they would like to see in the bill in the scales of this consideration. This is the real test—the test as to whether the Senate really wants tax reform. If it really wants reform it will not try to nitpick this bill with a whole host of little changes.

Let me turn now to some of the specifics of the tax reform program. The main thrust of the pending bill, as under the House bill, is to reduce the scope of the tax preferences that enable some individuals and corporations to escape their fair share of the tax burden. In broad outline, the bill seeks to achieve this objective through a two-tier approach—or a sort of one, two punch—against tax preferences. The first line of attack limits the scope of particular tax preferences through specific provisions designed for this purpose. The second line of attack is to group the tax preferences which remain after application of the specific provisions to which I have just referred and to subject these tax preferences to a minimum tax.

This is the same general approach followed in the House bill. But, the bill now before us contains many amendments which change the scope and technical language of the House provisions, add new tax reform provisions, and delete some provisions of the House bill.

In a bill of this scope, it would obviously be impractical to describe every provision, but I would like to mention briefly some of the more important provisions to highlight the scope and range of the tax reform program. The bill, for example, makes substantial changes in the treatment of foundations. It prevents self-dealing between the foundations and their substantial contributors, requires the distribution of income for charitable purposes, and restricts foundation holdings of private businesses. Private foundations, under the bill, will pay a small annual audit fee tax, in addition, each private foundation will be eligible for income tax exemption for only 40 years—beginning with January 1, 1970, for existing foundations.

Tax-exempt organizations are prevented from sharing their exemption with private businesses and the unrelated business income tax is extended to all tax-exempt organizations not previously covered, including churches after 1975.

The general charitable contribution deduction limit is increased to 50 percent of adjusted gross income. The unlimited charitable deduction is phased out over a 5-year period. The extra tax benefits derived from charitable contributions of appreciated property are restricted in the case of gifts to private foundations and gifts of ordinary income property.

The bill restricts the tax advantages derived under the special farm accounting rules by those with large farm losses which are applied to reduce taxes on substantial incomes from nonfarm sources.

Beneficiaries of trusts will no longer be able to secure substantial undue tax advantage from accumulating income since the income accumulated by a trust will be taxed to the beneficiaries in the same manner as if the income had been paid out to them when it was earned.

The committee's bill eliminates the undue stimulus that present law gives to corporate mergers because it allows acquiring corporations to deduct as interest some payments on "debt" which have the basic characteristics of equity.

Financial institutions including commercial banks, savings and loan institutions and mutual savings banks will be able to derive less tax advantages from the use of special bad debt reserves which exceed the bad debt reserves allowed to taxpayers generally.

The percentage depletion rate for oil and gas is reduced from the present rate of 27½ to 23 percent for both domestically and foreign-produced oil and gas.

The treatment of capital gains and losses is changed. The alternative capital gains tax is phased out over a 3-year period for individuals with large capital gains and significant amounts of tax preferences. Other changes in this area reduce the tax advantages of long-term losses and remove capital gains treatment from certain receipts such as lump-sum distributions of pension plans which are attributable to employers' contributions. In addition, the alternative tax rate on a corporation's long-term capital gain is increased from 25 percent to 30 percent.

The tax advantages derived from real estate operations which have attracted so much notoriety will be reduced. In general, the 200-percent declining balance method—or sum-of-the-digits method—is limited to new housing. Other new real estate is limited to 150-percent declining balance depreciation. Used property acquired in the future is limited to straight-line depreciation. In addition, the present recapture rules applying to real estate are generally revised so that on the sale of property, more of the depreciation in excess of straight-line will be recaptured as ordinary income. However, to provide incentives to build more housing units, more lenient recapture rules are provided for residential property than apply for other property.

Shareholder employees of professional service corporations and subchapter S corporations—that is, corporations treated somewhat like partnerships—are to be subject to the same pension rules as self-employed people.

Residents of a foreign country will be permitted exemption of no more than $6,000 of earned income received from abroad instead of $20,000 or $25,000 as under present law.

Related corporations will no longer be able to take multiple surtax exemptions which will be phased out over a 5-year period. This will prevent large groups of commonly controlled corporations from obtaining substantial tax benefits intended primarily for small business.

Finally, to discourage arbitrating, State and local bond interest will be subject to Federal income tax where the proceeds of these bonds are invested in higher yielding Federal or corporate bonds.

As I indicated, after specific provisions of the type which I have just described are applied against particular items of tax preference so as to reduce their scope, the second line of defense—the minimum tax—comes into play. The pending bill provides for a minimum tax which in the committee's opinion is much superior to that provided in the House bill. Under the commitee's provision a selected number of tax preferences would be aggregated and the total amount in excess of a $30,000 exemption

would be subjected to a 5-percent tax. Some of the major items included in the base of this minimum tax are long-term capital gains, accelerated depreciation in excess of straight line depreciation, yes, even percentage depletion and intangible drilling and exploration expenses and interest expenses incurred for investment purposes in excess of investment income. This minimum tax applies to both individuals and corporations and is in addition to the regular income taxes.

This minimum tax in the committee's opinion produces fairer results than the comparable House provisions—which were called a limit on tax preferences and an allocation of deductions, for one thing, the committee's minimum tax applies to corporations while the House provisions did not lend themselves to application to corporations. Also, the minimum tax applies more evenly to individuals than the House provisions; it imposes the same tax on taxpayers with the same amounts of tax preferences income while the House bill varied the tax on such individuals depending on the amount of their taxable income.

Finally, this 5-percent tax is a relatively simple affair to compute, while computation of the tax due under the House provision is quite complex. In fact, the House provisions frequently involved the taxpayer in higher mathematics, by requiring the use of simultaneous equations.

The 5-percent modification included in the committee's bill covers quite a few tax preference items not included under the House Limit on Tax Preferences and allocation provision. However, I would like to advise the Senate that this minimum tax does not apply to interest on State and local government bonds which were covered by the House provisions. Nor does it cover the appreciation in value of property for which deductions are taken as charitable contributions.

The committee strongly believes in the basic principle that tax preferences should be curtailed to the greatest extent possible. However, the committee also believes, and I am sure that the Members of the Senate will agree with me, at least in principle, that changes in the treatment of specific tax preferences should be made only when the overall result of the change is beneficial. The committee came to the conclusion on the basis of the testimony received during its hearings on the tax reform bill that the taxation of State and local bond interest, even if indirectly, by means of inclusion in the minimum tax provision, would constitute an inefficient tax reform. State and local governments are now encountering very considerable difficulties in marketing their bonds in view of present record interest rates in tight money conditions. The taxation of State and local bond interests would add to these difficulties and make it even more difficult for State and local governments to raise needed funds. I hope that the Senate will see fit to confirm the committee in this action. This will help maintain the confidence the committee action restored to the tax-exempt bond market and enable State and local governments to get on with the important work of improving services and facilities for their citizens.

The minimum tax in the bill also does not include the nontaxed appreciation in value of property deducted as a charitable contribution. It was included in the House provisions for a limit on tax preferences and allocation of deductions. The committee believed that it would not be wise to include gifts of appreciated property to charity under the 5-percent minimum tax particularly since it had already approved a number of other provisions specifically directed toward curtailing the tax advantages resulting from such gifts. The committee felt that the additional step of including gifts of appreciated property in the minimum tax would reduce the benefit of the contribution and unduly restrict public support of worthwhile educational and other public charitable institutions.

Other provisions of the bill, first, extend the income tax surcharge at a 5-percent rate from January 1, 1970, through June 30, 1970, second, postpone for an additional year the reductions in excise taxes on passenger automobiles and communications services scheduled under present law; third, terminate the investment credit for property where construction, reconstruction, or erection began after April 18, 1969; and fourth, provide 5-year amortization for pollution control facilities and railroad rolling stock.

I do not want to burden you with all the specifics of each of these provisions. They are described in considerable detail in the committee's report and also in the blue-covered summary I sent to each of you.

I would like to note, however, that while none of us likes to extend higher tax rates, there is an urgent need at the present time to extend the income tax surcharge and to postpone the scheduled excise tax reductions as provided in the pending bill. This action is essential as an anti-inflation measure and to keep the budgetary situation under control. The extension of the surcharge and the postponement of the excise tax deduction are relatively moderate actions. Their burden is relatively moderate—particularly when it is considered that the cost of a 1-point increase in the Consumer Price Index exceeds $5 billion and particularly in view of present soaring interest rates which these provisions will help to check.

Similarly there are strong grounds for terminating the investment credit which, if continued, would serve only to fuel capital goods spending and thus increase inflationary pressures. The Finance Committee has voted five different times and in three different bills to repeal the investment tax credit as of April 18, 1969. The Senate Democratic policy committee has also voted to repeal the credit. The committee has voted down several amendments which would have preserved the credit for several industries or several groups. We think it is important that the credit be removed from the tax law. I urge the Senate not to extend the investment tax credit for any particular industry, or groups of industries, because this would cripple the effect of its repeal, and be the incentive for numerous amendments.

The major objective of the tax reform program is, of course, to permit a fairer sharing of the tax burden. The bill now before us achieves this objective. In effect, we use the money that we get from the tax-reform provisions and from the repeal of the investment credit for a broad gage program of tax relief.

The tax relief in this bill amounts to $1.7 billion in the calendar year 1970, but builds up rapidly to $9 billion of tax reduction in 1972.

In deciding on the particular way that the tax relief was to be allocated, a number of courses were available to the committee. Since the funds available for tax relief necessarily are limited, we could not adopt all the suggestions and, as a practical matter, had to choose among competing claims. Some urged that all or a major portion of the tax reduction be given in the form of lower tax rates. Others wanted the individual income tax personal exemption levels to be raised to levels which would absorb all the available revenue for tax relief, leaving no margin available for other forms of tax reduction. The tax relief provisions selected by the committee provide a balanced program, including some rate reductions and a number of relief provisions. The committee provisions are designed to grant tax relief to the poor who need it most, to encourage people to work and to invest by cutting tax rates and to simplify the tax laws.

Accordingly, the committee's bill gives individuals tax rate reductions amounting to almost $4½ billion a year when fully effective in 1972. The 1972 tax rates will be at least 1 percentage point lower in all brackets than they are now. Tax rates will range from 13 percent in the lowest bracket to 65 percent in the top bracket compared with the present range of 14 percent to 70 percent. The net effect will be to give a tax reduction of 5 percent or more in all brackets. This is the same reduction that is provided under the House bill. However, for budgetary reasons the committee's bill provides about one-third of the rate reduction in 1971 and the remaining two-thirds in 1972. The House bill divided the rate reductions evenly between 1971 and 1972.

In establishing the new tax rates, the committee deleted from the bill a House provision limiting to 50 percent the maximum marginal rate applying to an individual's earned income. This action was taken because the committee believed that a 50-percent top marginal rate, though beneficial for work incentives, would provide unduly large tax reductions to those with substantial earned incomes.

The bill also provides a low-income allowance which is tailor made to grant relief to the poor and the near poor. This provision, whose main features are carried over from the House bill, will grant $2.65 billion of revenue a year when it is fully effective. Essentially, this low-income allowance raises the minimum standard deduction on each tax return to $1,100. This low-income allowance, together with the $600 per capita personal exemption, will relieve from all tax single persons with incomes of $1,700

or less, married couples with incomes of $2,300 or less and married couples with two children with incomes of $3,500 or less.

These amounts closely conform to the poverty levels established on the basis of figures of the Department of Health, Education, and Welfare. They also conform to HEW figures which show that families remain at the poverty level unless their incomes increase by about $600 for each additional person in the family after a poverty level base income of $1,100. For budgetary reasons in 1970 and 1971 the low-income allowance provided by the bill is "phased out" as the income of the taxpayer increases above poverty levels. However, in 1972 this phaseout will no longer apply and the full amount of the low-income allowance will be available without any reduction for the size of income. In other words, at that time every family unit filing a tax return will have a standard deduction of at least $1,100. This is in addition to their personal exemptions.

This low-income allowance is designed to work hand in hand with an increase in the regular standard deduction. At present, the standard deduction is limited to 10 percent of income with a ceiling of $1,000. The bill gradually raises these limits to a level of 15 percent of income with a ceiling of $2,000 in 1972 and later years. This provision, together with the low-income allowance which I have described, will achieve very substantial simplification for taxpayers in filing their tax returns. As a result of the changes, about 11.6 million returns which now itemize deductions will use the standard deduction. This means that the proportion of all returns using the standard deduction will be increased from its present level of 58 percent to 74 percent. About 5.6 million people will be made nontaxable as a result of these provisions.

Since increases in the per capita exemption level have also been offered as a means of aiding low-income people, I would like to indicate why the committee decided not to increase the personal exemption. This is a very important issue, since there has been a lot of talk about increasing exemptions. The issue we have to decide is—are exemption increases more efficient or less efficient in providing tax relief to low-income people? Do they provide more justice or less justice than the provisions that the bill contains to grant tax relief to the poor? Let us examine this issue.

First, the increases in the per capita exemption will be substantially more costly than the low-income allowance. An increase in the per capita exemption to $900, for example, would involve a revenue loss of $9.7 billion a year or more than the revenue cost of the entire tax relief program in the committee bill. The cost rises to astronomical figures as the per capita exemption level rises. A $1,000 per capita exemption would cost $12.7 billion a year and a $1,200 per capita exemption, which is sometimes mentioned, would cost $18 billion a year—or twice as much as the entire relief provisions under the pending bill.

I do not believe, and the Committee on Finance did not believe, that we would be acting in a fiscally responsible manner if we voted to increase the Federal deficit by the amounts that would be involved if we agreed to a personal exemption of those proportions.

The low-income allowance not only is less costly than increases in the per capita exemption; it is also more effective as a way of aiding the poor. This is because it concentrates its relief at the low-income levels where the poor are to be found. For example, although the low-income allowance will cost only about one-third as much as an increase in the per capita exemption level to $900, together with the present $600 exemption it gives more relief to a single person—exempting a single person from tax up to the $1,700 income level compared with exempting only $1,200 from tax if one has only a $900 personal exemption and the present minimum standard deduction. Similarly, a married couple with no dependents will be free of tax up to the $2,300 income level under the low-income allowance; it would be free from tax only up to $2,200 under the $900 exemption level with the present minimum standard deduction.

It is true that large families would remain free of tax at somewhat higher income levels under $900 per capita exemption than under the low-income allowance, but these differences would be relatively moderate compared with the enormous additional cost in the increases of the per capita exemption. There also is another aspect of this which should be called to the Senate's attention, HEW figures show that after a $1,100 allowance is made available to a poverty-level family, an additional $600 allowance for each dependent—such as is provided under the combination of the low-income allowance and exemptions system—will suffice to exempt the family from all taxpayments at poverty levels.

Here is another point the Senate should realize. Over 60 percent of the total benefits of the low-income allowance will go to those with incomes under $5,000 and only 4 percent of the benefits will go to those with incomes of $10,000 or more.

In contrast, if the per capita exemptions were raised to $900, only 12 percent of the benefits would go to those with incomes under $5,000—12 percent as against 60 percent for the low-income allowance. Over 50 percent of the benefits of the increased exemptions would go to people with incomes of more than $10,000 and as much as 12 percent of the benefits would be received by those with incomes of $20,000 or more. How drastically different from the low-income allowance in aiding those that one seeks most to aid, those in the poverty group.

Still another point the Senate should be aware of is that the low-income allowance, together with the increase in the maximum standard deduction provided by the bill, would make a much greater contribution to tax simplification than increasing per capita exemptions. The larger exemption, while it would take a significant number of people off the tax rolls, would not have the effect of switching to the standard deductions almost 12 million people who now itemize their deductions. This superior contribution of the bill's provisions to tax simplification should not be underestimated, it is complicated tax laws, almost as much as inequities, which are likely to cause the rank and file of taxpayers to revolt against the tax system. The simplification we have provided in this bill can make all the difference in the world in the attitude of people toward the tax system.

Finally, I would like to note that some people who are impressed with the virtues of the low-income allowance and the increased maximum standard deduction seek to combine these improvements with an increase in the per capita exemption level. It obviously would be impractical because of revenue costs just to combine all these tax relief measures into one gigantic package.

The considerations I have just outlined are the considerations which led the committee to reject proposals to increase the per capita exemption and to accept the low-income allowance as the best means of aiding low-income people. These reasons seemed more than persuasive to the committee and I hope that my colleagues will agree.

Let me turn now to one final subject, the bill before you provides very substantial tax relief for single people. This action is needed because present law imposes harsh tax burdens on single people compared to married people who receive the benefits of the so-called split-income provision. Under the bill, single people are provided with a new tax rate schedule which produces a tax burden for them approximately 17 to 20 percent above those of married couples with taxable incomes between $14,000 and $100,000. Today they can pay as much as 40 percent more tax than married couples pay on a similar amount of income.

These provisions differ from the provisions in the House bill which would permit widows and widowers, regardless of age, and single people age 35 and over to use the head-of-household rate schedule.

There is another way of looking at the bill which I think is useful: I would like to call attention to the fact that the net effect of all the provisions of the bill—the tax relief measures and the tax reform provisions taken together—is favorable to people with low and moderate incomes. The entire package provides an average tax reduction of about 10 percent for all taxpayers. However, tax reductions will average about 66 percent of the present law tax for those with incomes under $3,000. About 30 percent for those with incomes between $3,000 and $5,000, and about 17 percent for those with incomes between $5,000 and $7,000. The average tax reduction will still be 10 percent for those with incomes between $10,000 and $15,000 and will be 7 percent for those with incomes between $20,000 and $50,000. For those with incomes between $50,000 and $100,000, however, it falls to less than 5 percent. High income people—those with incomes of $100,000 and over—will, on the average pay even more as a result of the bill

than they pay today. With a pattern like this, I think it is apparent that the bill helps most people of low and moderate incomes. Nevertheless, I believe by providing some rate relief across the board, it provides justice to all income groups.

The program of tax relief provided by the bill, large as it is, will undoubtedly fall short of the expectations of some. A number of my distinguished colleagues will undoubtedly favor many other worthwhile tax relief provisions that will cost additional money.

In considering such proposals, I hope that this body will keep in mind the fact that there are limits to the amount of tax relief that we can give if we want to be fiscally responsible, and we must be fiscally responsible—not only to keep our economy on a sound basis, but also to raise the money that will be needed in the future to meet the new demands that are constantly being made upon our Government. Peace in Vietnam, for which we all pray, will help provide funds for these urgent needs, but we cannot expect the end of hostilities to provide unlimited funds. Moreover, for a period after the war ends, the costs of withdrawing the troops and demobilization may well be almost as great as the costs of the war. We should have learned that lesson after the end of World War II and after the war in Korea.

We are going to have to maintain our revenues at a high level even after peace in Vietnam if we are really going to do anything about our social programs here at home. The needs of our urban areas, the needs of the poor and underprivileged are such that we dare not cause any appreciable loss in revenue at this particular time.

I am glad to report that the bill before the Senate meets rigid tests for a fiscally responsible program. As a whole, all the provisions of the bill, including the extension of the surcharge and excise tax rates, will increase tax collections by $3.4 billion in fiscal year 1970 and $3 billion in fiscal year 1971. Similarly, all the provisions of the bill will increase tax revenues by almost $6½ billion in calendar year 1970 and by over $300 million even in calendar year 1971. The fact that the bill, as a whole, brings in additional revenue rather than loses revenue in 1971 results from committee amendments deferring part of the tax relief that the House bill provided for that year. The committee made these amendments because we must be most careful to provide a proper fiscal stance in 1970 and 1971 to combat the strong inflationary pressures that are prevalent in our economy.

In the long run, the bill will reduce taxes by about $2.4 billion a year. However, this decrease in taxes is computed on the basis of present levels of income.

The fiscal dividend or the automatic increase in the revenues as the economy grows over the years will amount to many times that figure.

This bill is not the end-all of tax reform. It is not the answer to all our tax problems—there undoubtedly will be more to do as we reexamine the tax system over the years ahead. But the bill is the best approach to our tax problems that I have seen in my career as a Senator. It is not only the biggest tax reform bill in our history—it is the best tax bill since the adoption of the income tax in 1913.

Again, I want to remind my distinguished colleagues that the bill is a consensus bill. I urge that Senators not destroy it by offering too many costly additional tax relief provisions or by whittling away on the tax reform provisions now in the bill. In other words, if you are really for tax reform help us hold the line. I have said this before, but it merits saying again. The test of whether the Senate really wants tax reform is whether it is willing to take a consensus bill which can be passed by Congress and be signed by the President. I urge the support of Senators for tax reform in the consideration of this bill.

Mr. WILLIAMS of Delaware. Mr. President, I shall not delay the Senate to comment upon the bill. The chairman has done an excellent job of outlining its provisions. I proceed to discuss my pending amendment.

I ask unanimous consent that the amendments I have at the desk be considered en bloc.

The PRESIDING OFFICER (Mr. ALLEN in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAMS of Delaware. I shall explain this matter very briefly. Under existing law the depletion rate on oil and gas is 27½ percent; however, a taxpayer can only use that depletion rate to offset 50 percent of taxable income, with the result that some producers are not able to use all of the 27½ percent. Under the House bill, the House reduced that depletion rate to 20 percent, but they retained the 50 percent limitation, the same as it is in the existing law, which means that many of those who currently are paying a low rate of taxes would have to pay more taxes, and those who are not paying any taxes would have to pay some.

The Senate Finance Committee amended the existing law to the extent that for those with $3 million or less annual income from oil or gas they raised from 50 percent to 65 percent the amount of net income which can be offset by the depletion rates, and at the same time they reduced the depletion rate from 27½ percent to 23 percent. However, heretofore many were not using more than half or two-thirds of the 27½ percent, so they were not using it, anyway.

The Senate provision raises the amount of net income that can be offset with the depletion rate from 50 to 65 percent. If the bill is passed in that form it will mean that those who have not been able to use all the depletion allowance will actually have a tax reduction, even though the depletion rate is reduced. They will have a lower tax than they had before by 30 percent in many instances. The Senate bill limits this increase from 50 to 65 percent to the so-called small oil and gas producers, those with annual incomes from oil or gas wells of $3 million or less. But I call to the attention of the Senate that in this day a man with a $3 million annual income from oil wells is not altogether classified as a very small producer.

At a time when we are talking about tax reform, at a time when we are talking about plugging loopholes, why should we open wider a loophole for those who have incomes up to $3 million so that they will actually get a tax reduction—this at a time when we suggest that we are trying to promote greater equity.

My amendments would delete that section and retain the existing law, which is the 50-percent limitation.

Much of the controversy about the great need for tax reform legislation was generated a few months ago by the former Secretary of the Treasury. He pointed out at that time that under existing law approximately 200 taxpayers with incomes of close to a million dollars were paying no taxes at all. Several of those in that category would be affected by this amendment. The bill as it passed the House would put some tax on those individuals; and why not? The bill as reported by the Finance Committee, unless this section is deleted, would put them in a category even more favorable than before. I do not think this is an objective we want to achieve at a time when we are talking about tax reform. Certainly this cannot be justified at a time when we are suggesting that our taxes should be collected and assessed and paid more on an equal basis. It is in the committee bill. I objected to it. I do not recall the vote in the committee, but it was a divided vote.

I think this is a problem which the Senate should face up to. At a time when we are talking about closing loopholes, let us not open one wider for a few individuals. Unless this amendment is approved it means a large tax reduction for a special group. I shall ask for a record vote on these amendments.

WESTERN SHIPPERS FACE CRITICAL BOXCAR SHORTAGE

Mr. CURTIS. Mr. President, Nebraska and surrounding States are faced with the most critical boxcar shortage in history. The railroads have not supplied sufficient cars to move the grain out. On my last visit to Nebraska a week ago, I personally saw several huge piles of milo right out on the ground. There are an estimated 10 million bushels of grain on the ground.

When cars are not available, the local grain elevators take such grain as they can, but when the elevator is full, they have to close it. This is happening in countless places in Nebraska. The economic loss to our State and particularly the economic loss to the producers of grain is severe. It is unfortunate and it is unfair.

Mr. President, I am not satisfied with the action taken by the Interstate Commerce Commission. Some members of that Commission understand the acuteness of the problem and want to do something about it. The Commission, as a whole, has proceeded too slowly and too ineffectively.

About 2 years ago the Congress passed, and President Johnson signed, a measure intended to give the Interstate Commerce Commission authority to remedy boxcar situation. The Commission has moved too slowly. They have been too timid in citing and cracking down on the offending railroads who refuse to turn

back cars that belong to the Western railroads.

Eastern and Southern railroads take their time about returning cars to the Western railroads. The reason this happens is that the daily charge for keeping a boxcar is far too low. It is cheaper to pay this very small daily charge than it is for them to build their own cars or for a user to build his own storage. I am told that even the Defense Department of the U.S. Government is guilty of hoarding boxcars in lieu of providing other storage. This is grossly unfair to the agricultural areas of the country that need to get their grain and other products shipped out to the domestic markets and to the ports.

Some of the railroads are guilty of defrauding the Western roads and Western shippers in the use of their boxcars. The procedures of the Interstate Commerce Commission are antiquated and slow. They appear to be designed to protect the offender and to wear out the complainant.

Mr. President, the Congress should demand action from the Interstate Commerce Commission. There are no valid excuses. The Commission has been advised year after year of the coming of a crisis such as we have had year after year. Only this year it appears to be worse. Offending railroads should be cited and dealt with without mercy.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2056) to amend title 11 of the District of Columbia Code to permit unmarried judges of the courts of the District of Columbia who have no dependent children to terminate their payments for survivors annuity and to receive a refund of amounts paid for such annuity.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may speak briefly without consideration of the rule of germaneness.

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

The Senator from Ohio is recognized.

SHAMEFUL ATROCITY

Mr. YOUNG of Ohio. Mr. President, the reported massacre of approximately 567 civilians—children, women, and old men—by Americans at Mylai in South Vietnam is so shocking as to be almost beyond belief. Nevertheless, there is convincing evidence that this deliberate, methodical atrocity by GI's under orders from their superiors did actually occur.

The Plain Dealer, of Cleveland, Ohio, on November 20, 1969, published photographs taken by Ronald Haeberle, a photographer and an eyewitness to this horrible atrocity. I wish that all Americans could see for themselves the terror and fear in the faces of women and children who sensed they were about to be murdered; and who saw the bodies of murdered women, children, and old men strewn throughout their village; and who had cowered and huddled together terrified as they saw innocent unarmed friends shot down in cold blood.

These photographs bear testimony far more impressive than any words to the brutalization of a generation of Americans by our involvement in an immoral, undeclared war in a small, far distant agrarian Asiatic country. They evoke memories of Lidice, the Czech village destroyed by the Nazis in 1942 in reprisal for the assassination of Reinhard Heydrick, the Gestapo chief in Czechoslovakia. At least at Lidice the Nazis spared the women and children, sending them into slavery in Germany. The savagely brutual acts committed by American officers and soldiers evokes memories of Nazi stormtroops leading women and children into gas chambers. It was the pictures and the eyewitness accounts of the children about to be murdered and finally murdered at Mylai that are most heart rending and that cry out for justice. More photographs of this American atrocity will be published in a forthcoming issue of Life magazine.

The Plain Dealer has performed a needful public service in further revealing this atrocity to American fathers, mothers, sons, and daughters here in the United States. I wonder whether this great newspaper will now feel the full force of the Vice President's venom for disclosing these astonishing and horrifying murders by American GI's.

All who served in World War I or World War II are aware of the suffering sometimes inflicted on innocent civilians. We know that in war and shelling by artillery and mortars and bombing from airplanes there is likely to be killing of many innocent civilians. We know that by reason of our napalm bombing and artillery fire hundreds of thousands of Vietnamese civilians, most of whom were women, children, and old men, have been killed or maimed for life. I personally witnessed children—victims of the war—without arms and legs and other horrible afflictions during my visits in all areas of South Vietnam in 1965 and 1968.

In 1965, and again last year, I was in South Vietnam for the greater part of 2 weeks. Also, I was in Thailand. Altogether, I spent approximately 1 month on each trip in Southeast Asia. During that period I visited hospitals, and the German hospital ship anchored in Danang. The leaders there and the surgeons did not ask whether a victim was a Vietcong, whether he was from North Vietnam, or whether he was an American sympathizer. Anyone who was maimed or wounded was taken in as long as there was ample room. They had fine German nurses in attendance.

In that hospital, I saw the most horrible sights I have ever seen in my life. I saw a little child burned black, as a result of napalm bombing, with one arm off. I saw a helpless mother. I saw other sights that bothered me for some nights thereafter, and, in fact, really bother me at this time. American napalm bombs, hurled from our tremendous bombing planes have killed and maimed over the years at least 500,000 old men, women, and little children in Vietnam. That is a factually correct statement with no exaggeration whatsoever.

We know that the North Vietnamese and the VC have also been guilty of terrorists acts, but that is no reason nor excuse whatsoever for the atrocity that was perpetrated at Mylai by supposedly civilized and combat-trained Americans.

It must be made crystal clear that Americans do not condone such conduct, war or no war. We must face up frankly to what has become a test of conscience. We must recognize that what happened at Mylai illustrates not only what this war is doing to the Vietnamese, but also to ourselves.

Mr. President, the photographer and a GI who witnessed this abominable incident come from my State of Ohio. One of those young men is coming into my office to talk with me tomorrow and tell me what he saw. I have already talked to him on the telephone and have had his statement taken. This savagely brutal murder of hundreds of women and children cannot be disputed by anyone because two full pages of pictures were published in the Cleveland Plain Dealer, clearly showing what took place.

I consider that I am somewhat of a student of American history. I know of nothing in the entire history of our country that has equaled this atrocious conduct on the part of our GI's, gone mad for some reason and not controlled, but, in fact, encouraged by their company commanders. This occurred in 1968, but the Army is just now getting around to having some of those who participated questioned and court-martialed.

Mr. President, last Friday I sent a letter to the distinguished chairman of the Armed Services Committee (Mr. STENNIS) urging an immediate investigation of this sordid affair by the committee or a subcommittee appointed by him. Americans must know, and the sooner the better, the long-suppressed facts about what certainly has been one of our Nation's most ignoble hours. Those responsible must be brought to justice. Let us hope that this terrible massacre and atrocity will help hasten all Americans to urge the immediate disengagement and withdrawal of our fighting men from South Vietnam.

I ask unanimous consent that my letter relating to this horrifying terrorist attack on unarmed civilians and requesting an investigation be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Nov. 21, 1969.

Hon. JOHN STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Cleveland Plain Dealer, a nationally known and respected newspaper with a history and tradition for accuracy, published on November 20 two pages of horrible, shocking pictures along with a news article describing an eyewitness account of a soldier of a brutal, inexcusable, savage occurrence in Mylai, south Vietnam, on March 16, 1968. Soldiers of our country with their company commander and other officers present murdered approximately 567 south Vietnamese civilians, most of whom were women and children, with probably fewer than 100 old men. No combat troops of the National Liberation Front or north Vietnam were present or victims of this killing.

I ask that this entire matter be thoroughly investigated by the Committee on Armed Services of the Senate or a subcommittee thereof and I request that you direct some such investigation.

Obviously, Mr. Chairman, if the facts stated in the Cleveland Plain Dealer are true, and personally from some knowledge I have I consider that the pictures are accurate and the news story accompanying the pictures are also accurate, then the Congress and all Americans should know the facts and the sooner the better.

Before I saw the Plain Dealer of November 20, a friend of mine in Washington, a professional man in whom I have confidence, arranged that a former GI who was present would call at my office and talk with me either this Saturday morning or next Monday morning. I shall arrange for him to be available as a witness before the committee if that is desired.

It is disheartening and disturbing that Pentagon officials have apparently smothered and kept from the public for more than a year and a half facts about this matter. Also, it is outrageous that no action whatever has been taken against the officers and men involved. It is stated that the Department of Defense and its top officials now offer the excuse that if the facts were known to the general public, the rights of certain individuals would be prejudiced.

Is this another "Green Beret case" although involving many, many murders? I urge, Mr. Chairman, that there should be searching investigation and that officials of the Department of Defense and the Department of the Army should be subpoenaed and compelled under oath to testify before the committee of which you are Chairman or a subcommittee that you select.

American people are entitled to know the whole truth and soon.

Yours very truly,

STEPHEN M. YOUNG.

PRESIDENT NIXON'S POPULARITY ON THE INCREASE

Mr. DOLE. Mr. President, the latest Gallup poll shows that the President's popularity has increased by 12 percent in the last month and has now hit its highest peak ever—68 percent.

There is no question that the President's speech to the silent majority of November 3, outlining where we are and where we are going in Vietnam, is the major reason for this surge in his popularity.

Part must also be reaction to the various efforts to bring pressure on the President and his dignified handling of the situation.

Mr. President, it is gratifying to the President and to those of us who have supported him in his quest for a just and honorable peace to see the Nation uniting behind him.

"Bring us together" was the cry last fall. And the President is bringing us together, not by knuckling under to the demands of some, not by ignoring the attacks of those who would split and polarize our Nation, but by showing the way and leading the way.

Mr. President, those of us who have supported President Nixon, and the President himself, want peace desperately. But we want a peace in Vietnam that will maintain peace in all of Southeast Asia, a peace that will tell those who turn to us for support and aid that the United States can still be depended on.

It is clear now that most Americans want that kind of peace also. It is clear that the President's message of November 3 to the great silent majority got through to them, heartened them, and encouraged them. They knew, at last, that their views, their typical American refusal to surrender or retreat, were also the President's views. And as he spoke out to them, they now speak out for him.

Mr. President, the Gallup poll findings are not only gratifying to those of us who support the President, but they must also be most disheartening for those who seek peace at any price, those who wave the red flag of Hanoi, and for Hanoi itself.

For nearly 2 years Hanoi has sought to win the Vietnamese war in America by splitting and dividing our Nation, by forcing the President to yield to unreasonable demands.

Now they see that that has failed. Now they see their hopes for an American "bug-out" go down the drain.

Now, Mr. President, seeing that Americans are united behind their President, they may at last, just maybe, begin to negotiate in earnest.

It is evident that the President's speech has unified the American people and in doing so has brought us a step closer to a real and lasting peace.

Mr. President, I ask unanimous consent to have printed in the RECORD the latest results of the Gallup poll.

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

[From the Washington Post, Nov. 24, 1969]

THE GALLUP POLL—NIXON SUPPORT SOARS TO 68%

(By George Gallup)

PRINCETON, N.J.—President Nixon's popularity has jumped to a new high in the latest nationwide survey conducted following his Nov. 3 Vietnam speech and during the latter stages of the Nov. 13–15 anti-war demonstrations.

Of the 1,465 adults interviewed in 300 localities across the nation, 68 per cent say they approve of the way he is handling his overall job, while 19 per cent disapprove and 13 per cent do not express an opinion.

The President's latest rating represents a dramatic 12-point gain from the previous survey conducted one month ago, Oct. 17–20, when 56 per cent of Americans voiced approval of his performance in office. That percentage was the President's lowest score to date.

The President's previous high was 65 per cent approval and was recorded on four occasions: in mid-March, mid-May and late May, and most recently, in a survey conducted following the first moon landing, July 20.

The President's gains since the previous survey in late October have been registered among all major population groups, but have been most pronounced among men and persons living in the East.

Key factors in the President's popularity gains are his speech, Nov. 3, outlining the administration's Vietnam policies and unfavorable reaction to the recent anti-war demonstrations.

In a nationwide 500-interview survey conducted by telephone immediately following the President's Nov. 3 speech, the Gallup Poll found 77 per cent of those who had heard the speech in favor of President Nixon's plan for ending the war.

It should be borne in mind that the survey taken at that time represented first reactions and the views of only those who had heard the speech.

Comments from persons interviewed indicate that the President's speech convinced many Americans that he is working hard to end the war and has left them with the expectation that he will get our troops out within a reasonable period of time.

A large number of Americans back the President himself for "doing the best he can under the circumstances" and his Vietnam policy as "the only one possible as of now." At the same time, they are impatient for an end to the war and for the return of our troops and will be keeping a close eye on the actual rate of withdrawal in the months ahead.

As a matter of fact, a September survey found 57 per cent of Americans in favor of Sen. Charles Goodell's proposal that all U.S. troops be withdrawn from Vietnam by the end of 1970 and the fighting turned over to the South Vietnamese.

The following question was asked in a survey conducted Nov. 14–16, with the bulk of the interviewing undertaken on Saturday, Nov. 15, the final day of the recent Vietnam demonstrations:

Do you approve or disapprove of the way Nixon is handling his job as President?

Here are the latest results and the trend since President Nixon took office:

NIXON POPULARITY TREND LINE

[In percent]

Interviewing dates	Approve	Disapprove	No opinion
Nov. 14–17	68	19	13
Oct. 17–20	56	29	15
Oct. 3–9	57	24	19
Sept. 19–22	58	23	19
Sept. 12–15	60	24	16
Aug. 15–18	62	20	18
July 26–28	65	17	18
(Moon landing: July 20)			
July 11–14	58	22	20
June 20–23	63	16	21
May 23–26	65	12	23
May 16–20	65	12	23
May 2–5	64	14	22
April 11–14	61	11	28
March 28–31	63	10	27
March 14–17	65	9	26
Feb. 21–24	61	6	33
Jan. 23–29	59	5	36
Average	62	16	22

Mr. HANSEN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield.

Mr. HANSEN. I should like to ask the distinguished Senator from Kansas if it is his opinion that there is relevance between our presence and our willingness to keep our commitments in Vietnam and the credibility of our pledges and com-

mitments to the NATO nations of Western Europe.

Mr. DOLE. Yes, the same general principle is involved in Southeast Asia and in Western Europe. There is complete relevance. President Nixon has made it clear with regard to Southeast Asian policy that we will not "kick every sleeping dog," and that we will not desert our allies. This is true in NATO countries, it is true in Southeast Asia, and particularly in South Vietnam itself.

Mr. HANSEN. Is it the opinion of the distinguished Senator from Kansas that the way we behave and the way we react and respond to the commitments we have made in Asia will have a bearing upon how other nations will feel about assurances that this country makes in other parts of the world?

Mr. DOLE. There is no doubt in my mind—although not an expert, I feel very strongly about President Nixon's plan for peace in Southeast Asia. The Senator from Wyoming has probably touched upon the key issue here, that if we "cut and run," in Vietnam, it will be a precedent for what might be done in other areas of Western Europe, Southeast Asia, South America, or wherever it might be. The entire free world is looking to us, as a result of recent actions in Vietnam, as precedent for what we might do in the future. I certainly agree with the Senator from Wyoming that our policy there will have a direct bearing on what might happen in some other country or in some other part of the world.

Mr. HANSEN. From the mail that the Senator from Kansas is receiving, and I am certain he has been receiving a great deal of it from his constituents, would it be his opinion that the public generally is aware of the relationship between our presence in Vietnam and our willingness to keep our commitments elsewhere in the world?

Mr. DOLE. At least, it is an underlying theme in the mail I have received. In fact, many of my Kansas constituents are saying just that—that if we do retreat in Vietnam or that if we say we are going to leave there by a certain date—as suggested by some—what will happen to the next country involved? What will happen to our NATO commitments? This is a matter of concern not only to Kansans, but to all Americans.

Mr. HANSEN. Does the Senator find the same reaction in Kansas that I observed in Wyoming; that is, despite the fact that all of us hope that the war in Vietnam can be brought to a very speedy, successful conclusion, it seems to be important to most people that we disengage ourselves from that conflict in a manner so as not to sow the seeds for another conflict just a few years down the road? Does the Senator get that reaction in the State of Kansas?

Mr. DOLE. I certainly do. There is no question about it. I do not know of anyone in this Chamber who does not want peace. Some of us have differing views on how to achieve it. I have often felt that much effort is wasted in trying to demonstrate our feelings to the President, whether that President be President Nixon, President Johnson, or President Kennedy. Whoever the President was, he was doing all in his power to bring about an honorable peace. The terms "honorable settlement" and "honorable peace" are very important. Our policy now in Vietnam is, yes, to disengage, but to do it in such a way as to do so with honor, so that we leave Vietnam with an honorable and lasting peace. Such a policy would affect not only Southeast Asia, but NATO and other places in the world.

Mr. HANSEN. I join my colleague from Kansas in finding great comfort and reason for gratitude in the expressions of sentiment contained in the most recent Gallup poll. The poll makes very clear that a majority of our people—more than two-thirds—support the President's policy. I think we can take assurance from that poll that the course of action so thoughtfully being pursued by the President, based upon the best advice he can get, based upon the intelligence estimates of a number of agencies acting independently of each other, is the right course. I am encouraged and gratified.

I hope Hanoi will read very clearly that the President's action has the support of the people of this country; that they cannot expect us to "bug out"; that if Hanoi is intent on bringing that unhappy situation to a conclusion, the next move is up to them.

I think the President has demonstrated a number of new initiatives, a number of new moves, that very clearly differentiate his policy from those of his predecessors and give us reason to believe that the course of action being pursued is the best one for the termination of hostilities in Vietnam which will hopefully result in a lasting peace.

I appreciate the efforts of the Senator from Kansas in having the poll made a part of the RECORD.

Mr. DOLE. Let me add that I hope the enemy studies the results of the poll as well as it surveys the results of the demonstrations in America. If they do, they will realize this is only a forerunner of what will come. They will know that, by and large, Americans are satisfied with the efforts being made by the President. Yes, they would like peace to come today, but they recognize it takes two to make peace.

One thing we have failed to do, whether it be by a moratorium or whatever, is to tell it to Hanoi. After all, we could have peace immediately if the enemy would agree to negotiate. This has been lacking. Far too often some have criticized our leaders, whether they be Democrats or Republicans, and criticized our allies, but paid little attention to the enemy.

I have always understood the enemy to be the fellow who was shooting at you. The enemy is not South Vietnam. It is the Vietcong and the North Vietnamese troops. I would hope this indication of support of President Nixon will be an indication to the Government of Hanoi that the American people are not about to retreat or surrender in Vietnam.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. 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. MANSFIELD. Mr. President, for the information of the Senate, there will be a live quorum call shortly, and I hope attachés on both sides will notify Senators. It is outrageous that such a small group of Senators—there is a great deal more than a quorum around—show up to consider a bill of this magnitude.

ADJOURNMENT FROM WEDNESDAY NEXT TO MONDAY, DECEMBER 1, 1969, AT 10 A.M.

Mr. MANSFIELD. Mr. President, I again wish to announce that, at the conclusion of business on Wednesday, November 26, the Senate expects to stand in adjournment until Monday, December 1, 1969, at 10 a.m.

Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read the concurrent resolution—Senate Concurrent Resolution 48—as follows:

S. CON. RES. 48

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Wednesday, November 26, 1969, it stand adjourned until 10 a.m. Monday, December 1, 1969.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

TAX REFORM ACT OF 1969

The Senate resumed the consideration of the bill (H.R. 13270), the Tax Reform Act of 1969.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the pending amendments.

The yeas and nays were ordered.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. It will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 155 Leg.]

Aiken	Fannin	Metcalf
Allen	Gurney	Murphy
Allott	Hansen	Percy
Bennett	Hart	Schweiker
Bible	Holland	Spong
Byrd, Va.	Hollings	Stennis
Case	Jordan, Idaho	Talmadge
Curtis	Long	Thurmond
Dole	Mansfield	Williams, Del.
Dominick	McGovern	

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be di-

rected to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay the following Senators entered the Chamber and answered to their names:

Anderson	Harris	Prouty
Baker	Hartke	Proxmire
Byrd, W. Va.	Hughes	Russell
Cook	Inouye	Smith, Maine
Cotton	Magnuson	Sparkman
Cranston	Mathias	Symington
Dodd	McCarthy	Tydings
Ellender	McGee	Williams, N.J.
Ervin	McIntyre	Young, N. Dak.
Fong	Miller	Young, Ohio
Fulbright	Muskie	
Griffin	Pearson	

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from North Carolina (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. GORE), the Senator from Washington (Mr. JACKSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Texas (Mr. YARBOROUGH) are absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. Cooper), the Senator from Arizona (Mr. GOLDWATER), the Senators from New York (Mr. GOODELL and Mr. JAVITS), the Senator from Nebraska (Mr. HRUSKA), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. SAXBE), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Illinois (Mr. SMITH), the Senator from Alaska (Mr. STEVENS) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Oregon (Mr. HATFIELD) is absent because of illness in his family.

The PRESIDING OFFICER (Mr. MATHIAS in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Delaware.

Mr. LONG. Mr. President, the committee, in seeking to do justice and equity as among taxpayers, has proceeded on the assumption that some taxpayers are favored and should pay more, and other taxpayers are disfavored and should pay less.

The provision that the Senator from Delaware seeks to strike out is one of those provisions which provides that some taxpayers who are disfavored under present law, should therefore, pay less taxes compared with others then they are paying now.

Let me explain how the amendment would work. Under the committee bill the percentage depletion that an oil and gas producer receives would be reduced from 27.5 to 23 percent. Unfortunately, there are a lot of producers—I might say most of them are small producers—who have wells that are not regarded as being the best producers, who are not getting 23 percent, who are not getting 20 percent, who are not even getting a 15-percent depletion allowance because there are other provisions in the law, which are little known to most Senators, called net income limitation. Existing law provides that one's percentage depletion cannot exceed 50 percent of net income from the property. It could work this way.

Let us assume a man has $1 million of income from oil. Of the $1 million he makes if he had a good well, with very little expenses compared to his income, under the new bill, he would be entitled to a depletion allowance of $230,000. But suppose that is a well with a lot of operating expenses, with the result he has $900,000 in expenses and his net profit, then, is only $100,000. He would be limited to 50 percent of the net income from the property, which means that he would then get $50,000 in oil depletion allowances; whereas, if that were a good well, a profitable well, he would be getting $230,000 in oil depletion allowances. The only thing the amendment does is to raise the allowance in this case to $65,000.

This amendment relates only to marginal producers, those producers who have wells that are not good wells. Also by definition they are small producers because the amendment only applies to producers with less than $3 million in production. Not a single major company or big independent could qualify.

Under the amendment, those who have less than $3 million gross income from all oil and gas properties—that is gross we are talking about, not net—they could have as much as 65 percent of net income as the limitaiton on the 23 percent that they would otherwise get. In either case, the reduction the producer gets is the smaller figure. Sixty-five percent of $100,000 would be $65,000 in my example which would be the percentage depletion the producer would receive. While, if they were good wells with little operating expenses on that same $1 million income, the producer would be entitled to a depletion allowance of 23 percent.

Not a single major company would benefit by the provision that the Senator would seek to strike. Not a single major producer, not even a big independent, would benefit from it. But it would help those marginal producers who have wells which are expensive to operate, a lot of which exist in States like Kentucky, Oklahoma, the northern part of Louisiana, some in Arkansas, some in Indiana, and some in Illinois.

It does not help those producers who have really good, efficient wells. It helps the marginal producer stay in business. Goodness knows, those people have enough problems, with high costs for everything they buy, including the cost of transportation, and the cost of labor. With all of that going up, and with the price for oil remaining the same, they do have a most difficult time of it. This would help the domestic producer who has the marginal well. There is justice and equity to support this proposal for about $10 million as against $155 million that we hope to raise out of the bill as a result of the reduction in the depletion allowance from 27.5 to 23 percent.

Mr. HANSEN. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. HANSEN. I should like to ask the distinguished Senator from Louisiana, who is very intimately familiar with the oil business, if it is not his opinion that were the pending amendment to pass, it would result in a net waste of important natural resources. With respect to some of the stripper wells in my State of Wyoming, where we do not have the big production that characterizes the oil business in many other parts of the world, without the extra tax benefit that would be provided by the 65 percent, as compared to the 50 percent for those producers who have $3 million or less gross operating income, would it not result in some of those wells being shut down and the oil and gas that is in the ground being lost insofar as use in this country is concerned?

Mr. LONG. The Senator is correct. The bill carries a lot of increased taxes on people in the oil and gas business. One could well argue that many people in the oil and gas business can afford to pay additional taxes. But the kind of people who would be affected by the pending amendment could not afford to pay additional taxes, when taxes are already being heaped upon them the way they are now.

Mr. HANSEN. Is it not true that the new oil operator, when he gets to the point that the cost of producing oil from a well approaches the income he is receiving from that well, he also approaches the time that he will stop operating that well completely, so that any encouragement or incentive we can give to him to get the last drop of oil or the last 1,000 feet of gas out of that well, to serve the public generally, should be given.

Mr. LONG. There is no doubt in my mind that the adoption of the pending amendment would make it difficult for them, taken together with the additional taxes placed on the oil producers. Let us talk about the marginal producer, trying to produce oil in a well, trying to get the last barrel of oil out of a depleted oil well, such as in Oklahoma, Illinois, Kansas, Nebraska, West Virginia, and many other States. Those people will pay additional taxes because the bill we have before us taxes their

intangible drilling costs. It taxes their depletion allowance. And in addition to raising their costs by putting heavier taxes on them, in other respects, it provides them no relief.

This type of help for these people is justified because we are talking about, in this instance, people who are not getting 23-percent depletion. We are talking about people not getting the opportunity for 20-percent depletion. We are talking about people that have wells that produce no percentage depletion. When one increases the tax on these marginal wells without giving them any consideration in return, he will cause a lot of oil to be left in the ground which would otherwise be used in this country.

Mr. HANSEN. As a member of the Interior and Insular Affairs Committee, I sat in on the hearings on the natural gas supply for the United States. I listened to the Chairman, John N. Nassikas, of the Federal Power Commission, as well as the Assistant Secretary of the Interior, Holis Dole. I gathered from the testimony those two gentlemen submitted that we cannot discuss the reserves and the adequate availability of natural gas here in this country without thinking in terms of new oil wells that are drilled because, as the Senator from Louisiana so well knows, in most instances a person cannot go out and drill just for gas; he goes out and drills for oil and usually gas is found associated with petroleum.

If that is true—and I see no reason to suspect that it is not true—we are witnessing a declining reserve in natural gas. The ratio of reserves to our gas production in this country has been declining for several years and is now down to about 14.8 to 1, which means on the basis of present production, we have reserves for only 14.8 years. The Chairman of the Federal Power Commission said that he felt if we reached a ratio of 10 to 1, that would be a very critical point, and a point which this country should not approach without reason for gravest concern.

In light of those testimonies as given by the Chairman of the Federal Commission and the Assistant Secretary of the Interior in charge of fuels and minerals, I should like to ask the Senator from Louisiana, would the amendment now proposed by the distinguished senior Senator from Delaware likely jeopardize further the adequate supply of natural gas upon which this country is so dependent?

Mr. LONG. I think it would tend in that direction because it would discourage and make less economical the effort to find more gas and more oil in this country. For the same effort often when one looks for oil, he finds gas, and vice versa. There is no doubt that this would be one more factor in accelerating the tendency that we have already seen. I am sure the Senator is familiar with it. I certainly am in Louisiana, where people in the oil and gas business are having to get out because they cannot make enough money from their wells after taxes to justify staying in that business.

Mr. HANSEN. In my State of Wyoming, one-third of all our county taxes are paid by the petroleum industry. Our schools are dependent upon it. Our county governments depend upon it. A total of 26½ percent of our State's ad valorem tax is paid by the petroleum industry in Wyoming. It represents nearly 30 percent overall of the total State evaluation. Because of that, I am very much disturbed over the impact that this amendment could have upon my State of Wyoming and I would ask my colleague from Louisiana, have I reason to be concerned, as the Senator would contemplate the impact that a reduction of this depletion allowance, based upon net income, dropping from 65 to 50 percent of net income, would have upon my State of Wyoming?

Mr. LONG. The Senator is very well advised to be concerned about it. Of course, he should keep in mind that under this bill the oil industry is taxed about four additional ways beyond the way it is presently taxed. The industry is taxed in even more ways than in the House bill. So that the industry, which is a depressed industry at present, would be even more so under the bill.

This particular provision just seeks to do simple justice and equity for the little fellow who really cannot afford to pay any increased taxes. He is not the man with the good well. He is the one with the marginal well, one that has a very small profit, comparatively speaking. By justice and fairness, he is paying too much the way it is now, and his taxes are being increased by the bill. At least, this provision would give him some modest consideration.

So I would be the first to say that if his taxes are increased as they are increased under the bill—he should at least have this consideration.

Mr. HANSEN. We have done a lot of talking about providing additional incentives for the oil industry, because our consumption of petroleum products and natural gas have been increasing very rapidly, and we have not kept pace with discovery of reserves within the United States.

It is my understanding that, excluding the Outer Continental Shelf, 80 percent of the new discoveries in the United States made in the past year have been made by independents.

Does the Senator's information square with that information?

Mr. LONG. I am not familiar with the latest figures, but that is substantially correct. The fact is that the overwhelming majority of the discovery wells have been drilled by independents. Generally speaking, I think one reason for that is that the independents are inclined to take a chance on a well that the majors might not consider was very good or a well that might be a marginal producer at best. Hence, the independents take the chance while the major companies do not.

Mr. HANSEN. My point is that the extra money which could result by the advantage which would be produced by the 65 percent rather than the 50 percent would provide funds for a capital intensive industry.

The limiting factor in our critical search for oil and gas—insofar as independents are concerned—is capital.

Raising the overall limit from 50 to 65 percent will help provide funds to drill the wells which can assure adequate supplies of oil and gas so important to our national security and the well-being of all Americans.

Mr. LONG. That is correct. The people who would be permitted to keep the $10 million would be expected to put the money into drilling more wells.

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

Mr. LONG. I yield.

Mr. DOLE. The Senator mentioned the States which might be affected by this amendment. I do not know whether he mentioned Kansas. It is my understanding the purpose of tax reform, both in the other body and the Senate, was to help some in the small taxpayer category and some of the small, depressed businessmen. The original intent of the committee amendment was to help the independent oil and gas producer.

In Kansas, that is very important, because 96 percent of the new wells drilled last year were drilled by independents. That is highlighted by Mr. Clint Engstrand, of Kansas, in his testimony before the committee. The independents produced 65 percent of all the oil produced in Kansas last year. I point this out to indicate how important this amendment is.

As the Senator from Louisiana stated earlier, this provision was designed to help the small independent producer, and the amount was raised from 50 to 65 percent for that purpose.

When it is realized that the depreciation allowance is cut from 27½ percent to 23 percent in the Senate bill, and to 20 percent by the other body, we can readily understand why there are some in the oil business who are living from hand to mouth, who may be producing only stripper wells, two or three barrels of oil a day, who will be greatly affected.

I share the sentiment expressed by the Senator from Wyoming and the Senator from Louisiana. The amendment of the Senator from Delaware would have an adverse effect on the very thing attempted in tax reform.

Coming from an oil-producing State, I would say, yes, we can accept some cut in the depletion allowance, which would affect oil producers generally, but would hurt in the small producer, one producing very little or one with a high overhead cost.

The pending amendment should be defeated for that reason, not because it affects the depletion allowance. The proposed amendment affects a specific group of oil producers in the marginal category. As I understand it, the primary reason for the committee amendment in the first instance was to give a little relief to those marginal producers.

I agree with my colleague from Louisiana.

Mr. LONG. While the Senator was addressing his remarks to me, I was asking our staff assistant to see if he could produce a memorandum submitted by the independent producers of the State of Kansas. I can recall what it was about. It showed the facts on a producer-by-producer basis. It showed that in the State of Kansas the average oil producer gets about a 14-percent oil deple-

tion allowance. The reason for that is that not all those wells are profitable. In other words, one can say, "My goodness, he produced 3 million barrels of oil." By the time he got through, he may have only $5,000 that year to show for it. On that basis, he might not have more than a 1- or 2-percent depletion allowance, because there was very little profit involved.

When one looks at the hard work of the producer for that kind of oil depletion allowance and how little the producer has when he gets through, he will agree that it is not fair. The depletion allowance was cut from 27.5 percent; only the producer did not get 27.5 percent. He was getting only 2, 3, or 4 percent.

It makes no sense to have a law that says the man who has the good well gets the full benefit of the depletion allowance, and the fellow who has the expensive well to operate, who produces less oil, who at most will get perhaps a 5-percent profit or less on investment—even though his risk is very considerable—should get only a 5-percent, or perhaps a 10-percent, depletion allowance. As I said, at the same time, the man with the good and profitable well would enjoy the full depletion allowance of 20, 23, or 27½ percent, or whatever it is finally fixed at.

Mr. DOLE. Based on 1968 tax returns, the average independent producer in Kansas received a depletion allowance of only 20.4 percent. So it was 7.1 percent below the 27½ percent everybody talks about. Let me repeat that the average Kansas producer, based on tax returns in 1968, received a depletion allowance of 20.4 percent. We have 105 counties in the State of Kansas and 90 of them produce gas or oil. About 50 percent of the revenue raised to operate those local governments come from oil and gas producers and the independents produce about 65 percent of the oil in the State of Kansas.

Getting back to the original purpose of raising it from 50 to 65 percent was to aid those producers of oil who are not large or whose costs are reasonable. It was to aid the marginal producer of stripper wells or where production costs are high. It was a perfectly legitimate aim of the committee and I agree with it.

I feel, on that basis, there is no good reason to support the amendment.

Mr. WILLIAMS of Delaware. Mr. President, I delay the Senate but just a moment. I have listened to all this argument about these small, depressed taxpayers who have incomes of only $3 million a year. One of the advantages of being in the Senate is the way some can throw these $3 million amounts around as though they were small items.

Let us face it: What we are talking about is a man with a $3 million a year income from oil or gas. Even under the depletion allowance provision of the committee bill he would be entitled to set aside $690,000 completely tax exempt before he computed his costs and other deductions.

Under existing law and under the bill as passed by the House only one-half of his taxable income can be offset by depletion. That means that he could use but $530,000 of his $690,000 depletion. The bill as approved by the Senate Finance Committee raises to 65 percent the amount of his taxable income that can be charged off against depletion, which means that he could get tax credit for the full $690,000.

Stated another way, this man, even though the depletion rate is reduced from 27½ to 23 percent, could still get a tax reduction of $160,000 annually as compared to existing law. Is that what the Senators who have been speaking so loudly for tax reform really want?

Unless my amendment is approved we would be giving him an extra $160,000 tax reduction that he does not get under the House bill, nor does he get it under existing law simply because, as the Senator from Louisiana and others pointed out earlier, many of these producers due to this 50-percent limitation are not able to deduct more than one-half or two-thirds of their depletion. Therefore, when we reduce the depletion rate to 23 percent as the committee bill proposes, it does not affect many of these operators one iota.

Surely the Senate does not want to reduce taxes by 40 percent for those individuals with a $3 million annual income from oil or gas.

But if we raise from 50 to 65 percent the amount of their taxable income that can be offset against depletion we are actually giving them such a tax reduction. This proposal was rejected in the House of Representatives.

The point that I make is that for nearly 2 years we have been hearing a lot of speeches about tax reform. I have never heard so many speeches about tax reform as I have during the past 2 months right here in the Senate. Everybody is for it. I said earlier I hoped the enthusiasm would continue over to the time when we start calling the roll. Today we are ready to call the roll, and we have before us a bill which is labeled as a tax reform bill, one which does correct many inequities. In this particular case it does not correct an inequity, but it creates an even greater inequity because it allows even more tax avoidance than is permitted under the existing law. It is a new loophole.

So let us start now and call the roll. Let us find out whether or not the Senate is for reform. Does the Senate want to close loopholes, or are we just going to open another one?

Mr. President, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Delaware.

Mr. LONG. Mr. President, the Senator, in his statement, failed to take into account the difference between gross and net.

It is true that a person with $3 million of oil production, if he had a 23-percent depletion allowance, would have a depletion allowance of $690,000. The Senator and I are not arguing about that $690,000. What we are talking about is the fellow who does not get the 23-percent depletion allowance. We are talking about the fellow who has a $3 million well, producing $3 million worth of oil, which would net him a lot less than that. Let us say his expenses are such that he is not getting any 23 percent. Because he is limited to 50 percent of net, it may well be that his net profit might only be $10,000. If that is the case, he only gets half of the $10,000 as depletion allowance, which would be less than one-half of 1 percent of his gross income.

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

Mr. LONG. Yes.

Mr. WILLIAMS of Delaware. The Senator is correct, but I point out also that if this man's net income is only $10,000 he gets half of it exempted under the depletion allowance provisions and the other half under the tax reduction provisions of this bill for those at the poverty level.

But let us face it, we are not talking about a poverty-stricken taxpayer. We are talking about the tax rate for a man with a $3 million annual income from oil wells. We are talking about those with large incomes who are paying very little, if any, taxes.

Mr. LONG. If a man is in a situation where he has got that much expense, he would have to have some income from somewhere else to stay in the oil business.

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

Mr. LONG. I yield.

Mr. AIKEN. If he had an income of only $10,000, under a bill the Senate passed last summer, he could qualify for food stamps as well.

Mr. LONG. I am assuming that anyone would go out of the oil business before he asks for food stamps. He is not likely to be drilling an oil well and asking for food stamps all at the same time. I have seen people try to drill oil wells on a very small amount of money, where they had to borrow heavily, but I have not seen them apply for food stamps at the same time.

Nevertheless, it is an odd thing that we have a provision in the law which says that a person who has a good oil well gets the full depletion allowance, whatever that may be, and a person who has a marginal or not very profitable oil well is limited to 50 percent of his net. That net often results in such a discouraging return on his investment that the producer is getting out of the oil business, not getting into it.

If we seek tax justice and tax equity, while we are seeking to reduce percentage depletion for the fellow who has a good oil well, it makes commonsense to give some consideration to the fellow who has a marginal oil well. This provision does not benefit the major corporations, the major producers or the big industries, but it does benefit those who have less than $3 million gross income, from marginal wells, and who are limited still further by the 50 percent of net limitation.

As an indication of the kind of people it benefits, the overall cost of this provision is about $10 million, which would be split among the small producers all over the country, many of whom are having to go out of business because not enough profits are left after the increases in costs and taxes they are experiencing.

Mr. McGEE. Mr. President, the increase in the net income limitation on

the allowance for depletion in the case of companies with less than $3 million of gross income from oil and gas production is a wise and helpful aspect of the present bill. It would not benefit the giants of the oil and gas industry, but the small operators and wildcatters, whose chance-taking explorations have developed so many of the Nation's petroleum reserves.

A company with less than $3 million of gross income is not a big company—certainly not in the industry of oil and gas production. But these are, nonetheless, important companies, providing many jobs in my own State, for instance. Percentage depletion itself is an incentive to continued exploration and production, particularly in regions such as Wyoming, where wells are deep and costs are high. The bill before us proposes to reduce the depletion allowance and, thus, to reduce the incentive for continued exploration and production of petroleum in Wyoming and other areas. Indeed, to sharpshoot at the measure, as the amendments do, in an attempt to cut the ground away from relatively small operators before the Senate even faces the issue of the depletion allowance itself squarely, strikes me as less than sensible.

Mr. President, let us deal with the entire issue of the depletion allowance in one piece. Let us debate it sensibly, considering the Finance Committee's recommendations and other alternatives together. Let us not eat away at the committee's long days of work in this way. Let us lay these amendments away.

Mr. HARRIS. Mr. President, I should like to be heard in opposition to the amendments being offered by the Senator from Delaware (Mr. WILLIAMS) to eliminate the provision adopted by the Committee on Finance to increase the net income limitation on percentage depletion from 50 percent to 65 percent for taxpayers with aggregate gross income from oil and gas wells of less than $3 million.

After a careful study of the whole oil and gas tax provisions, the Committee on Finance adopted this provision to lessen tax law charges for small producers whose percentage depletion is frequently limited by the existing 50-percent taxable income limitation.

In Oklahoma, 85 percent of the drilling in the State is by independents. Independents have been responsible for the discovery of a great percentage of the oil and gas reserves of the Nation.

Recently Mr. John Nassksas, head of the Federal Power Commission, expressed his concern over the dwindling supply of natural gas in the Nation. Three years ago our natural gas supply was said to be 15 to 17 years, whereas the latest study of the FPC indicates a supply of 10 years. Maintenance of an adequate supply will, to a significant extent, depend upon the exploration activities of independents.

Since the independent, unlike many major companies, depends almost wholly on income from the oil industry, the 50-percent net limitation is an important factor. Mr. William B. Cleary, president of the Oklahoma Independent Petroleum Association, in his testimony before the Committee on Finance, referred to the effect of the 50-percent net limitation and stated:

> This restriction puts a particular penalty on the independent producer and the penalty is most burdensome in the marginal years of production when the producer has the greatest need for reinvesting his money in search for more oil and gas.

I hope the amendments will be rejected.

Mr. PEARSON. Mr. President, I oppose the amendments proposed by the senior Senator from Delaware. As I understand it, the amendments would delete that section of the Tax Reform Act reported by the Committee on Finance, which will allow oil and gas producers with less than $3 million of gross income from oil and gas production to use the figure of 65-percent net income limitation on which the depletion allowance can be taken. The Williams amendment would have this net income limitations revert to 50 percent as under present law.

My State of Kansas is one of the principal gas- and oil-producing States in the Nation. In 1968, more than 96 percent of all exploratory and development wells were drilled by independent operators in the State of Kansas. The present and future of Kansas depending increasingly upon the independent oil operator.

The world of oil has historically been pictured as a single monolithic industry. This is not true. The world of oil is composed of two segments: Independent domestic producers and the major international oil companies. The Nation must depend in the foreseeable future upon the independent operator to explore and develop the country's petroleum resources. Because of the relative profitability of foreign oil, the major international companies are spending ever-increasing percentages of their exploration dollar in foreign countries.

The amendments would greatly hamper the independent oil producers in Kansas, particularly in light of the lowering of the depletion allowance itself.

The independent oil and gas producers in my State were pleased to find that the Committee on Finance had taken their situation into account by amending the bill by raising the net income limitation to 65 percent for those producers with less than $3 million of gross income from oil and gas production. They felt that this Finance Committee amendment would help them a great deal, and it was one consideration asked by many independent oil and gas producers who testified before the Senate Finance Committee hearings.

The 50-percent net income limitation on percentage depletion severely limits depletion and should be liberalized. If this is done, not only more exploration would result, but the ends of conservation would be served, as marginal wells would enjoy a longer life.

I hope that the Senate will reject the pending amendments.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from Delaware (Mr. WILLIAMS). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INOUYE (when his name was called). On this vote, I have a pair with the senior Senator from Mississippi (Mr. EASTLAND). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. GRIFFIN (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Texas (Mr. TOWER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. MUSKIE (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Texas (Mr. YARBOROUGH). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from North Carolina (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senators from Rhode Island (Mr. PASTORE and Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Connecticut (Mr. RIBICOFF), are necessarily absent.

I also announce that the Senator from Tennessee (Mr. GORE), the Senator from Washington (Mr. JACKSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Texas (Mr. YARBOROUGH) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) would vote "yea" and the Senator from Alaska (Mr. GRAVEL) would vote "nay."

On this vote, the Senator from Nevada (Mr. CANNON) is paired with the Senator from Rhode Island (Mr. PELL). If present and voting, the Senator from Nevada would vote "nay" and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOPER), the Senator from Arizona (Mr. GOLDWATER), the Senators from New York (Mr. GOODELL and Mr. JAVITS), the Senator from Nebraska (Mr. HRUSKA), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. SAXBE), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Illinois (Mr. SMITH), the Senator from Alaska (Mr. STEVENS), and the Senator from

Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Oregon (Mr. HATFIELD) is absent because of illness in his family.

If present and voting, the Senator from Oklahoma (Mr. BELLMON), and the Senator from Nebraska (Mr. HRUSKA) would each vote "nay."

The pair of the Senator from Texas (Mr. TOWER) has been previously announced.

On this vote, the Senator from Massachusetts (Mr. BROOKE) is paired with the Senator from Illinois (Mr. SMITH). If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Illinois would vote "nay."

On this vote, the Senator from Pennsylvania (Mr. SCOTT) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Alaska would vote "nay."

The result was announced—yeas 26, nays 34, as follows:

[No. 156 Leg.]

YEAS—26

Aiken	Holland	Schweiker
Allen	Hughes	Smith, Maine
Byrd, Va.	Magnuson	Spong
Byrd, W. Va.	McGovern	Symington
Case	McIntyre	Tydings
Dodd	Miller	Williams, N.J.
Ervin	Prouty	Williams, Del.
Fong	Proxmire	Young, Ohio
Hart	Russell	

NAYS—34

Allott	Fannin	McGee
Anderson	Fulbright	Metcalf
Baker	Gurney	Murphy
Bennett	Hansen	Pearson
Bible	Harris	Percy
Cook	Hartke	Sparkman
Cotton	Hollings	Stennis
Cranston	Jordan, Idaho	Talmadge
Curtis	Long	Thurmond
Dole	Mansfield	Young, N. Dak.
Dominick	Mathias	
Ellender	McCarthy	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Mr. Griffin, for.
Mr. Inouye, for.
Mr. Muskie, for.

NOT VOTING—37

Bayh	Gravel	Packwood
Bellmon	Hatfield	Pastore
Boggs	Hruska	Pell
Brooke	Jackson	Randolph
Burdick	Javits	Ribicoff
Cannon	Jordan, N.C.	Saxbe
Church	Kennedy	Scott
Cooper	McClellan	Smith, Ill.
Eagleton	Mondale	Stevens
Eastland	Montoya	Tower
Goldwater	Moss	Yarborough
Goodell	Mundt	
Gore	Nelson	

So the amendments of Mr. WILLIAMS of Delaware to the committee amendment were rejected.

Mr. LONG. I move to reconsider the vote by which the amendments were rejected.

Mr. DOMINICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 336, of the committee amendment strike out all through line 22.

(The language sought to be stricken is as follows:)

(2) SPECIAL LIMITATION FOR GOLD, SILVER, AND COPPER.—If any of the gross income from the property is attributable to gold, silver, or copper, the allowance determined under paragraph (1) shall not exceed the sum of—

(A) 70 percent, in lieu of 50 percent, of that portion of the taxable income from the property (computed without allowance for depletion) which bears the same ratio to such taxable income as the taxpayer's gross income from the property from gold, silver, and copper bears to his total gross income from the property; and

(B) 50 percent of the balance of such taxable income.

The assistant legislative clerk read as follows:

On page 336 in lines 2 and 3 strike out "paragraphs (2) and (3)" and insert in lieu thereof "paragraph (2)".

On page 336 in line 23 strike out "(3)" and insert "(2)".

Mr. WILLIAMS of Delaware. Mr. President, this amendment is comparable to the previous amendment except that it deals with gold, silver, and copper.

Under existing law the depletion rate for these three metals is 15 percent. The Senate bill does not change that rate at all. However, under existing law they are permitted to apply this depletion allowance against only 50 percent of their taxable income.

The House bill retains the same limitation, but the Finance Committee bill would raise that to 70 percent. That means that if the amendment I have just offered is not agreed to, those companies producing gold, silver, and copper can mathematically set aside as much as 70 percent of their net taxable income from minerals before they compute their taxes.

I have a staff memorandum which points where the benefits of this primarily would go:

It appears that the lion's share of the benefits of the special 70 percent taxable income limitation for gold, silver and copper miners will go to only four firms: Anaconda Copper Co., Phelps-Dodge Copper Co., the Kennecott Copper Co., and the American Smelting and Refining Co. (ASARCO). During the past year, these firms have benefitted greatly from the drastic rise in the price for domestic silver and copper. No reason has been suggested why these same firms should now receive the additional benefit of being able to shelter up to 70 percent of their handsome mineral income from tax.

Mr. President, I ask unanimous consent that the entire memorandum to which I have referred may be printed in the RECORD. This memorandum deals with the provisions of both the pending amendment and also the preceding amendment relating to oil and gas. The formulas are comparable.

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

STAFF MEMORANDUM—THE FIFTY PERCENT TAXABLE INCOME LIMITATION ON PERCENTAGE DEPLETION

The 50 percent taxable income limitation was originally developed as a restriction on the amount of discovery depletion which could be claimed with respect to a mineral property. See section 204(c) of the Revenue Act of 1924, 43 Stat. 253. The provision was intended to prevent taxpayers from sheltering all of their income from tax through discovery depletion deductions. The 50 percent figure was selected because it seemed appropriate to require mineral producers to pay income tax on at least half their mineral income.

In 1926, percentage depletion was substituted for discovery depletion in the case of oil and gas wells. See section 204 of the Revenue Act of 1926. Subsequently, percentage depletion was gradually extended to a long list of additional minerals, including metal mines, coal mines, various types of clay, and sand and gravel. See, for example, section 114(b)(4) of the Revenue Act of 1932, which extended percentage depletion to coal and metal mines and sulphur. In all of these instances, Congress provided that the allowance for percentage depletion "shall not exceed 50 per centum of the net income of the taxpayer * * * from the property."

In general, the taxable income limitation has not had much effect on efficient, low cost mineral producers. If a mine or well is operating efficiently and at low cost, the taxable income from the mineral property is usually substantial in relation to gross income, and 50 percent of that taxable income is correspondingly large. In such cases, the amount of percentage depletion allowable will generally be unaffected by the 50 percent taxable income limitation. For example, if the "lifting costs" in the case of an oil or gas well are $20, and if the oil or gas is sold for $100, the taxable income from the property is $80, and the 50 percent taxable income limitation on percentage depletion is $40. Consequently, an oil or gas producer in this situation would be able to claim the full $27, 50 percentage depletion deduction (i.e., 27½ percent times $100) without being limited by the 50 percent taxable income limitation.

In contrast, if a mine or well is operating inefficiently and at high cost, the net income from the property will be small in relation to gross income, and the 30 percent taxable income limitation will come into play in determining the amount of percentage depletion allowable. For example, in the case previously outlined, if the "lifting costs" for oil or gas were $80 instead of $20—due to heavy secondary recovery expenditures or similar costs—the taxable income from the property would be only $20 and the allowable percentage depletion would be limited to 50 percent of that taxable income, or $10.

The 50 percent taxable income limitation has two main effects. First, the limitation insures that mineral producers pay tax on at least half of their net income from mineral operations. Second, the limitation insures that the principal benefits of percentage depletion go to efficient, low cost mineral properties, rather than to high cost properties whose efficiency is marginal. The taxable income limitation therefore helps to achieve both tax equity (by insuring that some tax is paid on all mineral income) and an important economic objective (by encouraging the prompt abandonment of inefficient, high cost mineral properties).

The proposed changes in the 50 percent taxable income limitation will effectively increase the percentage depletion deduction by about 30 percent in the case of inefficient oil and gas wells, and by about 40 percent in the case of inefficient gold, silver, and copper mines. It is difficult to understand why special tax advantages should be conferred on inefficient mineral producers. Percentage depletion is said to be necessary as a means of preserving our National security. But surely National security demands maximum encouragement for efficient, low-cost mineral production—not the opposite. Yet the changes made in the taxable income limitation confer their greatest benefits on the least efficient producers, and no benefit at all on

those who are already producing minerals in an efficient, low cost manner.

The total revenue loss due to the two proposed changes in the taxable income limitation will be about $40 million—$20 million in the case of the oil and gas well provision, and $20 million in the case of the gold, silver, and copper miners. The revenue loss in these two cases is about the same because the special 65 percent taxable income limitation in the case of oil and gas wells is limited to persons having gross income from oil and gas of less than $3,000,000 per year (the so-called "little fellows" of the industry). However, the gold, silver, and copper proposal is not so limited. Consequently, although most large corporations will be unable to benefit from the special oil and gas well provision, it will be perfectly possible for the giant copper companies to benefit hugely from the special 70 percent taxable income limitation provided for gold, silver, and copper miners.

In fact, it appears that the lion's share of the benefits of the special 70 percent taxable income limitation for gold, silver, and copper miners will go to only four firms: Anaconda Copper Co., Phelps-Dodge Copper Co., the Kennecott Copper Co., and the American Smelting and Refining Co. (ASARCO). During the past year, these firms have benefitted greatly from the drastic rise in the price for domestic silver and copper. No reason has been suggested why these same firms should now receive the additional benefit of being able to shelter up to 70 percent of their handsome mineral income from tax.

In the case of the special 65 percent taxable income limitation for oil and gas wells, it appears that most of the benefits will go to individuals (as a result of the $3,000,000 annual gross income limitation, which effectively excludes most large corporations from making use of this provision). The persons benefitted will be the operators of oil and gas wells, rather than royalty owners (since royalty owners do not incur production costs and are therefore beyond the reach of any taxable income limitation on depletion). There appear to be less than 10,000 individuals in the category of operators who earn less than $3,000,000 per year from oil and gas wells. There does not appear to be any reason why these 10,000 individuals should be privileged to shelter almost two thirds of their mineral income from tax, especially when the oil and gas wells which they operate are likely to be among those that are least efficient and least needed for National security.

Mr. WILLIAMS of Delaware. Mr. President, the purpose of the bill as it is before us is to close loopholes in the tax law—to make sure that those who were not now paying taxes start paying their proportionate share to a greater extent than they have heretofore.

As the bill now stands, without this amendment, it means not only that have we not closed the loopholes in this area but that the committee bill would actually be giving approximately 40 percent greater tax benefits to those companies using this depletion allowance than under the existing law.

If we are going to close tax loopholes let us do so. If the Senate is going to open up Pandora's box, as we did to some extent in rejecting the preceding amendment, we should let the country know that all this talk about tax reform has been just so much poppycock.

As I pointed out earlier, the section that the preceding amendment dealt with actually reduced taxes for certain producers of oil and gas as compared to existing law. This section, which my amendment would delete, would reduce taxes again below existing law for the producers of gold, silver, and copper. Why?

The example I gave before was that a man with $3 million would get an extra $160,000 tax exemption under the committee bill; but the Senate decided to reject that amendment, and now that man will get that extra $160,000 exemption.

The pending amendment deals with gold, silver, and copper. Why should we give more tax benefits to producers in this group? Certainly the prices of these commodities are high enough. They do not need any more subsidies. Today up to 50 percent of the net income can be set aside and offset by the depletion allowance. Why raise it to 70 percent? There can be no justification for such action, and it is in direct contradiction of the purpose for which this bill was proposed. What has happened? Where are all these tax reformers?

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Will the Senator from Delaware advise the Chair whether he wants the amendments considered en bloc?

Mr. WILLIAMS of Delaware. Yes, I ask unanimous consent that the amendments be considered en bloc.

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

Mr. WILLIAMS of Delaware. Mr. President, the only reason the amendment is in two sections is that one part of the amendment would delete that section which would increase the allowance from 50 percent to 70 percent, and the second part of the amendment would renumber the sections that follow. The substantive part of the amendment would change that part of the section dealing with the 70 percent.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment.

Mr. WILLIAMS of Delaware. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I am ready to vote.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. HOLLAND. Mr. President, does the Senator know or can he state for the RECORD whether these three metal mining industries are prosperous and profitmaking or not? The Senator from Florida has no information in that regard.

Mr. WILLIAMS of Delaware. Yes, they are making a good profit. There is no question about that.

As far as silver and copper are concerned we know where the prices are. They are at a record high. The price of gold is still $36 an ounce. The House bill did not propose to reduce the depletion allowance on these metals, nor does the Committee on Finance propose to do so. To my knowledge there was no testimony before our committee showing the need for this change.

Mr. DOMINICK. Mr. President, I wish to speak for a few minutes on this matter because I am afraid that people may misunderstand part of the amendment unless they hear the other side.

The committee amendment, as I understand it, does not give anybody in the copper business, silver business, or gold business an exemption on 70 percent of their taxable income. It only allows the depletion allowance on that portion which actually accrues to the production of silver, copper, and gold.

In the lead-zinc mine, which, in the process, is getting copper or silver, only that copper or silver which is recovered out of that property is allowed the depletion up to 70 percent of taxable income. I believe the Senator from Delaware will agree with that statement.

Mr. WILLIAMS of Delaware. Yes; I stated that it refers to income from the minerals they are producing. The Senator is correct. But it would raise this allowance to 70 percent, which is a substantial tax reduction in comparison with the existing law.

Mr. DOMINICK. The Senator is totally correct. I am delighted he has brought this matter up. The reason this was done, obviously, was to give incentives to the production of those minerals which are in most short supply in this country. Senators will remember the debate we had on the Eisenhower silver dollar. When I offered an amendment that this be put in at 40-percent silver, there was a scream from the silver users to the effect that if we did that it would dry up one of the few sources of supply they had, which was the cheap metal coming in from the U.S. Treasury. There was not enough from industrial sources to take care of industrial uses.

It was stated we are now using over twice as much silver as we produce domestically in this country. Since this is the case, unless we have incentives to increase silver production and reopen marginal mines we will continue to find that kind of imbalance, import from overseas, and, therefore, we will worsen the balance of payments we have.

The gold situation is the same. We have been talking over and over again on the floor of the Senate about what we can do to try to preserve our gold supply. One method to do it is to increase production.

When the Senator from Delaware says he has been informed four principal companies would be benefited, he is oversimplifying the situation. Every lead-zinc company in the country which also has silver affiliated with it would get a benefit. Every major silver-producing mine would get a benefit. I am talking about Hecla and many others operating in Idaho and a good many operating in the area of metal mineral development in the West. A good many of these mines are facing production in new areas where they have not been before and where there are high costs and low-grade minerals.

Many Senators will recall 2 years ago my distinguished friend, the Senator from Arizona (Mr. FANNIN), was talking about the copper supply. We had a strike in one of the copper mines. Everybody all over the country was being hit. Every Senator was being called and asked, "Can't you get me some copper?"

It seems to me that one of the best ways would be to provide incentives. Mr. President, when you have competition, you keep the price down and get more supply of the minerals that are so desperately needed in this country.

With all due respect to the distinguished Senator from Delaware, with whom I agree on almost every issue, I think he is totally wrong on this one.

Mr. FANNIN. Mr. President, we have a great problem in this country so far as the balance of trade is concerned and it is becoming more serious each day.

We have a situation where there is being imported into the United States about 39 percent of our total copper supply. The statement that we have only three or four companies that will benefit is very misleading. I do not question the facts that the distinguished Senator from Delaware has given to us, but I think he is talking about total value, whereas we have many smaller companies in my State—at least eight to 10 companies—that would fall in this category; that are producing very low-grade ore. It is essential that they have this additional allowance if they are going to continue developing resources for our Nation.

When we go from a 50-percent to a 70-percent figure, it is not that we really are permitting them to use their full 50-percent depletion allowance. This does not necessarily prove true because now it is the intent of the legislation as passed by Congress that they have the 15-percent depletion allowance. Because of the very low-grade ore we have in this country as compared to the many other countries that have high-grade ore and are shipping it into this country in competition with our mines, we find that we are not receiving a 15-percent depletion allowance but a very much lower figure. It is running, I understand—I will have the figure momentarily—either 7.5 percent or 10 percent.

But what we are talking about today is whether we are going to retain in this Nation an industry that is essential to the defense of the country, and essential to the ingenuity of our manufacturing enterprises. It is a matter of developing an industry which is necessary if we are to be safe in times of stress or at times when we cannot obtain shipments from other countries.

We have very much at stake. We are not talking about something given, because in actuality we are permitting them to do what was intended by Congress in the beginning; namely, to use up to that 15-percent depletion allowance. But that is not necessarily possible under the 50 percent or even the 70 percent. We will see developments that will be on the way out if we do not permit the 70-percent figure to stand. I know that in Arizona insofar as developments are concerned, they would be vitally hurt by this change. We have companies that are looking for very low-grade ore bodies. They have to spend millions of dollars before they ever start producing 1 ounce of copper. They are still looking for these low-grade ore bodies in several mines in the State of Arizona which they have been developing now for months and months waiting to get to that ore body so that they could start development. All of that would be vitally affected by this proposed change in the amendment.

Thus, Mr. President, I feel that this is something we should give very great consideration to, because it could have disastrous effect.

Mr. DOMINICK. Mr. President, will the Senator from Arizona yield?

Mr. FANNIN. I yield.

Mr. DOMINICK. I think the point the Senator from Arizona is making is extremely useful, particularly because of the fact that there are far more than the four companies involved. The Senator would agree, would he not, that more than one State would be involved.

Mr. FANNIN. Very much so.

Mr. DOMINICK. Or would be benefited by this proposal in the committee bill.

Mr. FANNIN. They would be certainly affected disastrously, as I understand it.

Mr. DOMINICK. There are a number of new silver companies trying to mine silver. Is the Senator aware of those?

Mr. FANNIN. Yes, I am. I know that the Department of the Interior is spending considerable money trying to find additional ore bodies. I think that is very important.

Mr. DOMINICK. Is it not correct that recently we added to the mineral exploration allowances more minerals in order to try to stimulate more investigation of possible deposits of silver, gold, and copper?

Mr. FANNIN. Yes. I am very pleased that the Senator has brought that out. It is vitally important to realize that we are spending vast sums of money to try to locate additional ore bodies in this country, and that we are doing away with some incentives that should be even increased beyond the point we are talking about.

Mr. DOMINICK. It seems strange—I do not know whether the Senator would agree, but I think he would—that on the one hand we increase the allowances for exploration work to find these minerals and then on the other we say, "No, we will not increase the incentive so that you can produce at a profit after you have found it."

Mr. FANNIN. That is the irony of it. The left hand does not know what the right hand is doing.

Mr. DOMINICK. I think the Senator from Arizona has added substantially to our understanding of this question.

Mr. JORDAN of Idaho. Mr. President, will the Senator from Arizona yield?

Mr. FANNIN. I yield.

Mr. JORDAN of Idaho. I should like to ask the Senator from Arizona this question: Can he recall the testimony we had before the committee, that 50 years ago the United States was the largest exporter of copper in the world and today the United States is the largest importer of copper in the world? Does not the Senator recall that testimony?

Mr. FANNIN. Yes. That is correct.

Mr. JORDAN of Idaho. And that the same condition is true with respect to silver and certainly with gold; does not the Senator recall that?

Mr. FANNIN. Yes. That is right. It is very serious.

Mr. JORDAN of Idaho. For those reasons, Mr. President, I think that the pending amendment should be defeated.

Mr. FANNIN. I thank the Senator from Idaho very much for his comments.

Mr. President, the companies in Arizona and other States receiving the benefits referred to are as follows: Duval Corp., Anaconda, Kennecott, Phelps-Dodge, American Smelting & Refining, Texas Gulf Sulfur, Copper Range, Hecla Mining Co., Homestake, Newmont, and Bagdad.

Mr. President, some of these companies are just outside Arizona, but they would be generally considered to be affected by the amendment.

We are dangerously approaching the time when our imbalance of trade will be so serious, because of loss of world trade, that this would be a very serious and disastrous blow. Thus, I feel that if Senators will take into consideration exactly what is involved, they will reject the pending amendment.

Mr. WILLIAMS of Delaware. Mr. President, briefly, there is no question that adoption of the amendment would have some effect, so far as the companies dealing with the production of copper, silver, and gold are concerned. There is no question about that. My amendment would cancel the proposed tax reduction for producers of these minerals. But if the Senate rejects the amendment it will mean that we shall be giving to the companies producing these minerals greater tax benefits than they enjoy under existing law, and this is being done at a time when we are talking about reforming the tax code by reducing the depletion allowance. We might as well ask ourselves the question: Does the Senate want to expand the tax benefits they have already under existing law?

What kind of tax reform is this?

Now, insofar as putting them out of business is concerned, there is no basis for such an argument.

Mr. FANNIN. Mr. President, if the Senator will yield, does the Senator say that it is intended to have a 15-percent depletion allowance?

Mr. WILLIAMS of Delaware. Both the law and the bill provide 15 percent.

Mr. FANNIN. Fifteen percent.

Mr. WILLIAMS of Delaware. Yes.

Mr. FANNIN. How much of the 15-percent depletion allowance will be available if we follow the amendment. We do away with a considerable amount; do we not?

Mr. WILLIAMS of Delaware. No more than existing law.

Mr. FANNIN. We would do away with a considerable amount. If we could just realize what we are up against in many countries of the world where they have high-grade ore, the 15-percent depletion allowance would not need any comparison or any relationship with the profits involved in any particular mine in this country. But in this country the question we have is of the lower grade of ore which is being mined, which gives us a serious problem in trying to compete with other countries in the world. We now are producing about 61 percent and importing about 39 percent. This is so serious that it could, as I say, be disas-

trous. I believe, further, that if we did enter into a period of stress as a result of the defense of our country, for some reason or other, I would think that the Senator would realize how serious that could be.

Mr. WILLIAMS of Delaware. I point out to the distinguished Senator from Arizona that the approval of my amendment would not change existing law. The conditions he describes would be under existing law. They now have this 15 percent, and this amendment does not deal with that section of the bill.

Mr. FANNIN. In actuality, in reality, the way it is intended by Congress they do not get the 15-percent allowance unless they have high grade ore.

Mr. WILLIAMS of Delaware. That is under existing law, too.

Mr. FANNIN. What we are doing under the stipulation is to make it permissible, to the extent Congress intended, to get the 15 percent. They would have that 15 percent if they had high-grade ore as in other countries.

Mr. WILLIAMS of Delaware. The intent of Congress in basing the depletion allowance on oil, gas and all minerals was that under no circumstances could they use it to offset more than 50 percent of their taxable income. That has been existing law for years. My amendment would merely keep existing law, which the House bill did. We retain it.

Mr. FANNIN. The 15 percent was the limitation, at that time when we had high-grade ore bodies still available. But now, when we are competing with these countries that have high-grade ore bodies, and when we have low-grade ore bodies that run under 1 percent of copper in them, then it is just disastrous to take this allowance away from them. I think we are going to suffer the consequences. I think, from the standpoint of economics, it could be very much more burdensome if this amendment is agreed to than if we had it at 70 percent.

Mr. WILLIAMS of Delaware. I appreciate the position of the Senator from Arizona, but I still do not see any reason why we should now reduce the tax for producers of these minerals. That is what it amounts to. The depletion allowance under the committee proposal could offset 70 percent of the tax liability of those producers. It means they will be getting a big tax reduction. I do not see why we should do that at a time when we are talking about closing loopholes.

I realize we have a balance-of-payments problem. Part of that problem was not a shortage of copper here or abroad, but a shipping strike, during which we could not get it into this country.

Just a few years ago we were operating a stockpiling program, which was in effect a subsidy program, for producers of these minerals. We were stockpiling silver and copper, and we were stockpiling them as excess to our needs. Later they were declared surplus, and we took a substantial loss.

Mr. FANNIN. That has not been in recent years.

Mr. WILLIAMS of Delaware. It was about 5 or 6 years ago. Those stocks had been accumulated all through the years. But that is a different program.

The point is that under the existing law the producers of these minerals are allowed to offset 50 percent of their income from minerals with the depletion allowance. The provision as it passed the House would retain that 50 percent on the amount they could use.

The Senate Finance Committee liberalized the amount to 65 percent for oil and gas and 70 percent for copper. This is a tax reduction for a group at a time when we are told we are going to have to close loopholes and increase taxes.

I personally cannot support that provision, and I hope this amendment can be agreed upon.

Mr. FANNIN. Does not the Senator realize that if we do not provide incentives for the producers to produce from the low ore bodies, they will not be able to compete with other parts of the world? We are up against a serious proposition. At a time when we are trying to increase our exports and decrease imports, we are doing the opposite.

Mr. WILLIAMS of Delaware. I agree that our balance of payments is adverse. Our budget is in equally bad shape. We need to balance our internal budget as well as balance our external trade. I cannot agree with the Senator on his arguments for this reduction in their tax liability.

Mr. FANNIN. If the Senator is talking about revenues to the U.S. Government, there is a great deal more revenue if the product is produced within the United States than if it is shipped into the United States. So we are really defeating our purpose, and the Senator's purpose, by adopting the amendment, which would reduce the amount of production in this country and would probably increase the amount of imports from abroad. So far as revenues are concerned, we would increase revenues to the United States by this provision.

Mr. WILLIAMS of Delaware. Following that reason to its logical conclusion, could we increase revenues by eliminating the tax obligation altogether?

Mr. FANNIN. We are trying to have a tax incentive to permit our producers to go forward.

Mr. WILLIAMS of Delaware. Some of these companies are operating in Chile and Peru, and the same companies are operating in this country.

I hope the amendment can be agreed to.

Mr. LONG. Mr. President, strategic minerals generally are accorded a depletion allowance of 23 percent. That is because this Nation hopes to be self-sufficient in those minerals which are required, particularly in times of emergency, and in those metals which are essential to our industry in good times and bad.

Gold, silver, and copper are not listed in that group. They receive only a 15-percent depletion allowance. There are many other metals that receive less than a 23-percent depletion allowance.

The committee noted that the House, while seeking to reduce the depletion allowance on a great many other minerals, did not reduce it on gold, silver, and copper. The reason is that this Nation very much needs these minerals, in large measure because of our balance of payments. In other words, the House did not believe it should make it less desirable or less profitable to produce these metals here, even though it was making cuts in other percentage depletion rates.

The Senate committee in looking at this problem felt that the 50 percent of net limitation was keeping the producers of gold, silver, and copper from getting the full 15-percent depletion allowance, and that it would help our balance of payments and our domestic need for these metals if there were more incentive for producers of gold, silver, and copper to make greater efforts to produce those metals. The committee decided that in order for these producers to receive a depletion allowance closer to the prescribed 15-percent rate the 50-percent limitation should be raised to 70 percent.

It would seem to me to make sense, especially in view of our balance-of-payments problems, for us to take action to become self-sufficient in minerals we need which are in short supply.

I believe the committee was wise in making that decision and in arriving at that conclusion, and I hope very much the Senate will reject the Williams amendment.

Mr. ALLOTT. Mr. President, I believe we must take into consideration two or three different aspects of the true impact of the amendment now pending before us.

First, as has already been discussed, there is the problem of our balance of trade, particularly as it relates to the metals now under consideration. As my friend from Idaho (Mr. JORDAN) has already pointed out, we have had testimony before our Senate Interior Committee demonstrating that despite the fact that 50 years ago the United States was the major world exporter of copper, today this country is the major importer of copper. These same conditions obtain with regard to gold and silver. It seems manifestly clear to me, therefore, Mr. President, that we cannot overlook the fact that unrealistic tax policies directly affect our balance of trade problems as they relate to metals such as copper, gold, and silver.

Second, as my distinguished colleague from Colorado has already pointed out, Federal income tax policies can provide incentives for those metals which are in short supply and which are involved in the pending amendment. Today we are required to develop many low-grade ore bodies, and even though these minerals have a 15-percent depletion rate, they cannot effectively utilize these depletion allowances in many instances because of the enormous costs of mineral extraction.

Finally, Mr. President, I do not think that raising the specter of "closing tax loopholes" adds to the debate on the merits of the amendment before us. Each of us is committed to closing inequitable tax loopholes where the benefit to be obtained clearly outweighs the original justification for including a particular provision in the present tax code. This is simply not one of those areas

where inequity obtains. The greater need for mineral development incentives for these minerals which are in such short supply clearly militates against the kind of action suggested in the amendment now before us.

For these reasons, Mr. President, I shall vote against this particular amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Delaware to the committee amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE (when his name was called). Mr. President, on this vote I have a pair with the Senator from Nevada (Mr. CANNON). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MATHIAS (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Illinois (Mr. SMITH). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from North Carolina (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

I also announce that the Senator from Tennessee (Mr. GORE), the Senator from Washington (Mr. JACKSON), the Senator from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Texas (Mr. YARBOROUGH), are absent on official business.

On this vote, the Senator from Alaska (Mr. GRAVEL) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from Alaska would vote "nay" and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Rhode Island (Mr. PELL). If present and voting, the Senator from West Virginia would vote "nay" and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from New Jersey (Mr. WILLIAMS).

If present and voting, the Senator from Washington would vote "nay" and the Senator from New Jersey would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOPER), the Senator from Arizona (Mr. GOLDWATER), the Senators from New York (Mr. GOODELL and Mr. JAVITS), the Senator from Nebraska (Mr. HRUSKA), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. SAXBE), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Illinois (Mr. SMITH), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Oregon (Mr. HATFIELD), is absent because of illness in his family.

If present and voting, the Senator from Oklahoma (Mr. BELLMON), and the Senator from Oregon (Mr. HATFIELD), and the Senator from Nebraska (Mr. HRUSKA), would each vote "nay".

The pair of the Senator from Illinois (Mr. SMITH) has been previously announced.

On this vote, the Senator from Pennsylvania (Mr. SCOTT), is paired with the Senator from Texas (Mr. TOWER). If present and voting, the Senator from Pennsylvania would vote "yea" and the Senator from Texas would vote "nay".

On this vote, the Senator from Massachusetts (Mr. BROOKE), is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Alaska would vote "nay".

The result was announced—yeas 23, nays 37, as follows:

[No. 157 Leg.]

YEAS—23

Aiken	Hart	Russell
Allen	Hartke	Schweiker
Byrd, W. Va.	Hughes	Smith, Maine
Case	McGovern	Spong
Cranston	McIntyre	Tydings
Dodd	Muskie	Williams, Del.
Fong	Percy	Young, Ohio
Griffin	Proxmire	

NAYS—37

Allott	Fannin	Metcalf
Anderson	Fulbright	Miller
Baker	Gurney	Murphy
Bennett	Hansen	Pearson
Bible	Harris	Prouty
Byrd, Va.	Holland	Sparkman
Cook	Hollings	Stennis
Cotton	Jordan, Idaho	Symington
Curtis	Long	Talmadge
Dole	Magnuson	Thurmond
Dominick	Mansfield	Young, N. Dak.
Ellender	McCarthy	
Ervin	McGee	

PRESENT AND ANNOUNCING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Mr. Inouye, for.
Mr. Mathias, for.

NOT VOTING—38

Bayh	Gravel	Packwood
Bellmon	Hatfield	Pastore
Boggs	Hruska	Pell
Brooke	Jackson	Randolph
Burdick	Javits	Ribicoff
Cannon	Jordan, N.C.	Saxbe
Church	Kennedy	Scott
Cooper	McClellan	Smith, Ill.
Eagleton	Mondale	Stevens
Eastland	Montoya	Tower
Goldwater	Moss	Williams, N.J.
Goodell	Mundt	Yarborough
Gore	Nelson	

So the amendments of Mr. WILLIAMS of Delaware were rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendments was rejected.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 290

Mr. ELLENDER. Mr. President, I send to the desk an amendment to reinstate the 27.5 percent oil depletion and ask that it lie on the table.

The PRESIDING OFFICER (Mr. SCHWEIKER in the chair). The amendment will be received and printed, and will lie on the table.

AMENDMENT NO. 166

Mr. ALLEN. Mr. President, I call up amendment No. 166 and ask that it be stated.

The PRESIDING OFFICER. The amendments will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Alabama (Mr. ALLEN) proposes amendments as follows:

On page 508 of the committee amendment, after line 20, insert the following new section:

"SEC. 805. PERSONAL EXEMPTIONS.

"(a) INCREASE TO $1,200.—The following provisions are amended by striking out '$600' wherever appearing therein and inserting in lieu thereof '$1,200':

"(1) Section 151 (relating to allowance of deductions for personal exemptions);

"(2) Section 642(b) (relating to allowance of deductions for estates);

"(3) Section 6012(a) (relating to persons required to make returns of income); and

"(4) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

"(b) CONFORMING AMENDMENTS.—The following provisions are amended by striking out '$1,200' wherever appearing therein and inserting in lieu thereof '$2,400':

"(1) Section 6012(a)(1) (relating to persons required to make returns of income); and

"(2) Section 6013(b)(3)(A) (relating to assessment and collection in the case of certain returns of husband and wife).

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1969."

On a succeeding page, where it appears, strike out "805" and insert "806".

On a succeeding page, strike out "$600" and insert "$1,200".

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

The yeas and nays were ordered.

Mr. BYRD of Virginia. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. MATHIAS in the chair). The Senate will be in order.

Mr. ALLEN. Mr. President, the pending amendment would raise the personal exemption from the present $600 to $1,200. We are all familiar with the amendment. It would give a measure of true tax reform.

It is a measure that, I believe, deserves the endorsement of the Senate. Everyone is familiar with it and knows the need for increasing the personal exemption to make it more realistic and have it reflect better the expense of rearing a child or supporting the family.

The Senate is acting upon various

amendments at this time. The pending amendment is one that is demanded by the people of our country to give them a measure of true tax reform. The amendment will accomplish that.

If we do nothing else than to raise the exemption from $600 to $1,200, we will have enacted a true tax reform bill.

Mr. WILLIAMS of Delaware. Mr. President, I point out that the pending amendment, which would raise the personal exemption from $600 to $1,200, is estimated to cost an additional $18.25 billion. And the amendment is not in lieu of the tax reductions already in the pending bill but is in addition thereto. The pending bill when operative a few years hence proposes tax reductions aggregating around $9 billion annually. That is already more than we can afford, but when added to the pending proposal it would mean a total tax reduction in excess of $27 billion. How ridiculous can we get?

It is not only a certain way to defeat the bill, but it is also a certain way to bankrupt the Federal Treasury.

I think the amendment ought to be resoundingly defeated. Otherwise, we would have to raise the national debt immediately to borrow the money with which to finance the tax reduction.

No one knows what would happen insofar as interest rates and inflation are concerned. We cannot afford a $18.25 billion tax reduction at a time when we are already operating at a deficit of around $500 million per month.

If Senators really want to reduce taxes the first step should be to stop spending so much money. This amendment should be defeated.

Mr. LONG. Mr. President, I know that the Senator from Alabama has good intentions with respect to this matter. I know the Senator desires that persons in the low- and middle-income brackets should not have to pay taxes on the first $1,200 of their income.

If the pending amendment were agreed to in addition to the tax relief already provided in the pending bill, it would add another $18 billion of tax reductions to the $9 billion of tax reductions already in the pending measure.

As the Senator from Delaware pointed out, that would mean that the pending bill would seek to reduce taxes by $27 billion. We do raise taxes in the pending bill by approximately $7 billion. But that would not begin to offset the tremendous revenue loss.

So, meritorious as the amendment is in what it seeks to do for people, when we consider that in addition to the other tax reductions in the pending bill, it would confront us with an impossible revenue loss, I know of no way in which we could reduce our spending to bring the budget anywhere within line.

Mr. President, I discussed in my opening statement amendments of this nature. Some would cause substantially less revenue loss.

When one thinks that the resources are limited and the amount of tax reductions that the Government can afford to grant are limited in some respects when seeking to try to tailor the tax reductions to give the most possible benefit to those who need it the most, we find that the procedure would result in more than 50 percent of the benefits going to people with incomes of more than $10,000. Insofar as it does that, it would put the Government very much in the red.

Mr. President, under the circumstances I am convinced that the Government at this time cannot stand this much revenue loss. Reluctantly, I feel I must oppose the amendment.

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

Mr. LONG. I yield.

Mr. CURTIS. Mr. President, what the Senator says is correct.

I believe that the notion that a raise in the personal exemption is a poor man's tax relief is generally misunderstood. It really is not.

In this case, by doubling the exemption, or raising it to $1,200, it would result in an increase of $600 in the personal exemption. That would mean that a person 65 years of age or over would have his personal exemption raised by $1,200. A couple 65 years of age or over would receive an additional $2,400 personal exemption. If a person were a retired Senator, with some of the influence possessed by Senators, he and his wife would have an additional tax deduction of $1,200 each.

The individual in the low-income bracket, say in the 14-percent bracket, would receive $14 tax relief for each $100 by which the tax exemption is increased. Six times $14 is $84. So, under the proposal of the distinguished Senator from Alabama, we would be giving a working man $84 of tax relief. However, there would be cases in which a taxpayer in the 50-percent bracket would receive a $2,400 tax relief for his wife and himself.

That is the reason why there are a couple of sections in this bill that zero in on the low-income taxpayer—the minimum standard deduction and low-income allowance. There, for a certain number of dollars in loss of revenue, the benefits can be confined to the people who need it most. Those provisions are already in the bill. Over 5 billion people will be taken off the tax rolls.

At one time I did not favor such a procedure. I was of the opinion that everybody ought to pay some tax and we should not take anybody off the rolls. But we have to face the realities of inflation. We also have to face the fact that these people have to file a return. It is difficult for them to pay it. Many of them are casual laborers and there is no withholding tax, so they cannot raise the money afterward. The expense on the Government in collecting this money is great.

So I believe we are doing justice in this bill by removing these people in the poverty level from any burden of taxation.

Then, when we combine the two provisions I have mentioned—the raising of the minimum standard deduction and the low income allowance—we are giving the relief where it is really needed, where people actually need, for the necessities of life, the money that goes for taxes.

By raising the personal exemption, it is raised for everyone clear up the income ladder, so the most relief is given to the wealthy taxpayer.

I thank the distinguished Senator for yielding.

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

Mr. LONG. I yield.

Mr. ELLENDER. As I understand, provision was made to give relief in lieu of these exemptions. I wonder whether the Senator could go into little detail on that and indicate how it will affect the middle and lower income groups whom we are trying to assist.

Mr. LONG. Of course, it is correct to say that more than $600—the present personal exemption per capita allowance—is required for a single person to live in any standard at all. In fact, the Department of Health, Education, and Welfare estimates that a person who is making $1,700 a year or less is in the poverty bracket.

So the committee bill provides that a person would pay no income tax up to $1,700. Beyond that point, the $600 exemption is added for the second exemption and as a result a couple would have an exempt income level of $2,300.

A married couple with two children would have a $3,500 exempt income which is almost $900 per person. That is to try to see that people who are regarded as being in poverty do not pay an income tax.

Mr. ELLENDER. How is the rate affected? I understood someone to say earlier that it would save the taxpayers $7 billion—that is, by reducing the tax in lieu of having a higher exemption.

Mr. LONG. The tax package we have here costs $9 billion. It has four parts. One of the most expensive parts is the low-income allowance. This low-income allowance—starting with $1,700 for a single person, $2,300 for a couple, up to $3,500 for a couple with two children—then seeks to assure that those who are in poverty will not be paying an income tax. What we are doing, in effect, is tailoring the law to the definition of poverty by the Department of Health, Education, and Welfare.

There is then an increase in the standard deduction. Now the standard deduction is 10 percent, not to exceed $1,000. This standard deduction is increased up to 15 percent, not to exceed $2,000.

Mr. ELLENDER. The Senator then concludes, I presume, that through this method maximum assistance is given to those who need it, as opposed to giving relief to many who do not need it.

Mr. LONG. Yes. In addition to that, we have a reduction in the rates, which benefits all taxpayers. Also there is a special rate reduction for single people.

Mr. ELLENDER. That is the other point I wanted to make. If a $1,200 exemption were given, it would apply to all taxpayers. There would be no exceptions.

Mr. LONG. Yes; it would apply to all taxpayers.

Mr. ELLENDER. And the loss to the Government would be, as the Senator stated, approximately $18.5 billion.

Mr. LONG. The bill would lose to the Government $9 billion, but we make

back about $7 billion in tax increases. This amendment would be a loss of $18¼ billion, over the $9 billion the bill would lose. So it would result in a $27 billion revenue loss overall to be offset by about a $7 billion tax increase in the reform section of the bill.

Mr. ELLENDER. I understand that the committee is of the opinion that the method applied by it will assist the taxpayer who is really in need.

Mr. LONG. Yes.

Mr. ELLENDER. Is that correct?

Mr. LONG. Yes.

Furthermore, if the Senator refers to page 4 of the committee report, which is the green book before him, he will see what the tax reduction would be with respect to the income tax brackets.

Mr. President, I ask unanimous consent that that table be printed at this point in the RECORD.

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

Percentage tax increase or decrease from committee amendments

Adjusted gross income (in thousands):	*Percent*
$0 to $3	−66.1
$3 to $5	−30.3
$5 to $7	−17.0
$7 to $10	−10.9
$10 to $15	−10.3
$15 to $20	−8.6
$20 to $50	−7.2
$50 to $100	−4.8
$100 and over	+2.6
Total	−10.1

Mr. LONG. One will see that, based in terms of adjusted gross income, taxpayers with zero to $3,000 income would have their taxes decreased by 66.1 precent. Taxpayers with an income of $3,000 to $5,000 would have their taxes reduced by 30.3 percent. Taxpayers with an income of $5,000 to $7,000 would have their taxes reduced by 17 percent. Taxpayers with an income of $7,000 to $10,000 would have their taxes reduced by 10.9 percent. Taxpayers with an income of $10,000 to $15,000 would have their taxes reduced by 10.3 percent.

It phases on down from there to where one reaches the taxpayers with incomes of $100,000 and over. They actually would pay more taxes.

Mr. ELLENDER. And that is done by reduction in rates.

Mr. LONG. And the other features I have mentioned.

While it would be desirable to have the tax reduction that the Senator from Alabama advocates, we do believe that we have a way that provides more efficiently for the needs of those who are in poverty, and we think it provides as much tax relief as we can afford in the income tax structure going up from there.

While there is a great deal to be said for the Senator's amendment, the cost of it would be overwhelming, based on our present fiscal situation. That being the case, we do not feel that we can support the amendment, although we understand the concern of the Senator for the many fine people who, very rightfully, feel that they are entitled to some tax deductions.

Mr. ELLENDER. I thank my colleague.

Mr. GRIFFIN. Mr. President, I think all of us recognize that the pending amendment has a great deal of political appeal. It would be very nice if all of us could vote for such an amendment.

But I must say with all deference to the distinguished Senator from Alabama that it would be not only unrealistic to do so but in my humble opinion it would be completely irresponsible to do so.

I think the quickest way to kill a tax bill would be to adopt an amendment such as this. With an $18 billion revenue loss I do not see how we could have any hope that President Nixon could sign a tax bill with an additional revenue loss of this magnitude.

In addition, the adoption of this amendment would be a devastating blow to his program and policy to contain inflation. This is not the time to sabotage, and I say that with deference to the distinguished sponsors of the amendment—his determined effort to try to hold down the rising costs of living. That is what the effect of this legislation would be if it were ever to become law.

Therefore, I wish to join the distinguished chairman of the committee and the ranking member of the committee on the Republican side, the Senator from Delaware (Mr. WILLIAMS) in urging Senators to vote against the amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

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

Mr. MANSFIELD. We already have them.

Mr. HARTKE. Mr. President, I would like to ask several questions about what is involved.

We all know the amount of money involved in every $100 increase in exemption is about $3.8 billion. Is that correct?

Mr. LONG. It becomes less as it goes up.

Mr. HARTKE. It is $3.3 billion, then $3.2 billion.

Mr. LONG. Every time you move up $100 in income level, you drop off a few more people who did not make that much income. As you go up the figure goes down; that is, the amount of revenue on each category over $1,200.

It starts out at $3.3 billion for the first $100 increase in exemptions. It costs about $3.3 billion in revenue. As it is raised it costs less because there are fewer people involved in each higher bracket.

Mr. HARTKE. It is also true in this bill there is a certain amount of tax relief. This is not just tax reform but there is tax relief in it. Is that right?

Mr. LONG. The Senator is correct. We have about $9 billion in tax relief.

Mr. HARTKE. Out of that $9 billion in tax relief, how much is included in the so-called amounts for people who are eliminated from paying income taxes in the low-income, poverty level?

Mr. LONG. The low-income allowance costs about $2.6 billion.

Mr. HARTKE. That applies to what group of people?

Mr. LONG. That low-income allowance applies to people we regard as being in poverty. For a single person we are talking about a person making $1,700. If you move that figure up—and that is the Department of Health, Education, and Welfare estimate on what it takes for a person to exist—and out of the poverty level would cost at least $600 a person. With a married couple it would take $2,300; with one dependent $2,900; then it goes to $3,500 with a family of four.

Mr. HARTKE. The total amount of estimated revenue lost by the Treasury is $2.2 billion.

Mr. LONG. It is $2.6 billion. If the Senator will look at the statement, it is on page 136.

Mr. HARTKE. It shows how much? Is it $2.6 billion?

Mr. LONG. The Senator is correct.

Mr. HARTKE. According to the way the Treasury bases that estimate, no matter how we make computations, the one great difficulty causing so much disparity in later years is that the actual revenue produced or lost in tax bills is due to the fact it is based on no change in the economic structure. Is that true? In other words, it is based on the present revenue figure.

Mr. LONG. It is based on current income.

Mr. HARTKE. Over the years that has created quite a disparity, especially if there is an inflationary situation. Any revenue gain will be accelerated by the amount of inflation and any deduction by the same amount.

Mr. LONG. The definition in here was accurate as written.

Mr. HARTKE. Now, taking the $2.6 billion, in the standard deduction $1,000 or 10 percent was given. That 10 percent is increased to 15 percent under the bill.

Mr. LONG. The Senator is correct.

Mr. HARTKE. The maximum is $2,000.

Mr. LONG. The Senator is correct.

Mr. HARTKE. That is also tax relief.

Mr. LONG. The Senator is correct.

Mr. HARTKE. And can be considered as tax reform.

Mr. LONG. And also tax simplification. That cost is about $1.4 billion.

Mr. HARTKE. That takes us to $4 billion tax relief. Where is the other $5 billion?

Mr. LONG. The rate reduction accounts for $4.5 billion. The maximum tax on earned incomes is about $100 million. Of course, one of the big items is tax treatment for single persons. That costs about $445 million.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. 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. HARTKE. Mr. President, at this time, I should like to state that I have an amendment which I am prepared to offer which deals with the same issue which I was going to develop with the chairman of the committee here.

The majority leader has indicated to me that many Senators are waiting to vote. Therefore, I do not intend to offer the amendment at this time. I intend to withhold it. The Senator from Tennessee

(Mr. GORE) and I have been working on this matter. It involves the same revenue as is involved in the bill now before the Senate, whereas the amendment now pending before the Senate, offered by the Senator from Alabama (Mr. ALLEN), is in excess of the amount of revenue involved in the bill.

Mr. President, I think it is very important for us to recognize that there are some inequities in the bill at the present time, and that I did intend to develop them thoroughly to demonstrate that when we talk about equity, the bill itself does not provide equitable tax relief, especially for those who have families in the lower income groups or in the middle income groups.

Honestly, it creates disparity. We want the best approach. I think the low income allowance which is presently in the bill is a good one which does not require them to send money to Washington but is sent back in the form of welfare checks, after collecting from the people.

In view of these considerations, I do not intend to offer the amendment, although I do intend to offer it, I do not intend to offer it at this time, out of respect for my majority leader.

Mr. MANSFIELD. Mr. President, regrettably, the senior Senator from Texas (Mr. YARBOROUGH) is absent from the Senate today on official business. He has gone on record strongly in support of the proposal to increase the personal exemption to $1,200 and has prepared a statement on this matter. In it, Senator YARBOROUGH has expressed clearly the many reasons for changing this feature of the tax laws and, in his absence, I ask unanimous consent that his statement appear at this point in the RECORD.

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

STATEMENT OF SENATOR YARBOROUGH

Mr. President, I wish to take this opportunity to urge all of my colleagues in the Senate to give their support to the amendment that has been offered by the distinguished junior Senator from Alabama. No tax reform measure which has as its purpose to relieve the tax burden on the lower and middle-income taxpayers would be complete unless it included a significant increase in the personal exemption.

For over twelve years, I have worked for an increase in the personal exemption. On March 27, 1969, I introduced S. 1717 which would increase the personal exemption from $600 to $1200. Since the passage of the House Tax Bill, I have reintroduced my bill as an amendment of H.R. 13270.

The present $600 exemption has its genesis in the Revenue Act of 1948. In the 21 years since its adoption the personal exemption has not been increased despite the fact that the cost of living has increased 52.3 percent (based on the level of consumer price indexes since 1948.) Under present economic conditions, the $600 would have to be raised to $914 merely to equal the purchasing power of the $600 exemption 21 years ago.

Our standard of living has changed substantially over this period of time also. Life in the '60's is quite different from that in the '40's. The Bureau of Labor Statistics recently published a study which attempts to answer the question: How much does it cost for an urban family of four in the spring of 1967 for three standards of living? The resulting three budgets share the basic assumption that maintenance of health and social well-being, the nurture of children, and participation in community activities are desirable and necessary social goals.

For the moderate budget, the U.S. urban average cost was $9076 in spring of 1967. The cost for the lower budget was $5915, and the higher budget amounted to $13,050. The personal exemptions for a family of four today totaled $2400 which doesn't even approach the total of the lower budget. Certainly exemptions totaling $4800, which my amendment would provide, are far more equitable.

When the present personal exemption is applied to taxpayers with children in college, the need for an increase becomes even more apparent. The U.S. Office of Education estimates that the average charges for tuition, fees, and room and board for a full-time resident, undergraduate student in a public four-year university for the 1969–70 school year will total $1288. For other public four-year institutions the cost for the year is estimated to be $1043. In private institutions the average charges for the year are estimated to total $2777 for a university and $2274 for other four-year colleges. A college education in today's world is not a luxury, but a necessity. Consequently, an increase in the personal exemption would greatly assist the parents who are struggling to help their children prepare for life in the 1970's.

Of course, today's family earns more than its counterpart in 1948. However, the greater part of these increased earnings is attributable to inflation. Inflation together with relentless increases in taxes at every level have made real prosperity for the average American Family more elusive than ever.

The most frequently heard argument against increasing the personal exemption is that the government cannot afford the amount of revenue that would be lost. To obtain meaningful tax reform, however, we cannot be blinded by short term effects. Considerations of equity to individual taxpayers must be paramount. In the long run, these tax savings to individuals resulting from an increase in the personal exemption to $1200 will come back to the government in the form of higher taxes from other taxpayers. Personal expenditures represent over 60 percent of the gross national product. These additional funds in the hands of consumers will increase the incomes of grocery stores, appliance dealers, clothing manufacturers and others, which will result in a correspondingly larger tax base for the Federal government and increased revenues.

The personal exemption is intended to accomplish three basic purposes: (1) to exclude from taxation those individuals and families with the lowest income; (2) to provide all taxpayers with a deduction from otherwise taxable income for essential living expenses; and (3) to provide an additional allowance to those taxpayers with dependents and for those who are aged and blind. I submit that at the present unrealistic amount of $600, the personal exemption is not fulfilling any of these purposes.

We must remove the glaring inequity of the present personal exemption for our tax structure. The provisions of the tax reform proposal do not go far enough in enabling the low and middle-income taxpayers to achieve the standard of living to which he is entitled. An increase in the personal exemption to $1200, is, in my opinion, the best way to accomplish this objective.

I commend the Senator from Alabama for introducing this humane and essential amendment and I encourage all of my colleagues to give it their full support.

Mr. McGEE. Mr. President, the simplest, easiest and most direct method of benefiting the Amercan taxpayer is to increase the personal exemption he gets for himself and each dependent. The present $600 exemption from income is laughable, only it does not amuse most taxpayers when they sit down each year, some time between early January and the night of April 14, to compute their liability to the Government. They know the $600 exemption was established in a time long gone, when economic conditions were greatly different from what they are today. And they know the $600 exemption is no measure of what it takes to support one person.

If we want to do the American taxpayer a favor, Mr. President, we will accept this principle. We will increase the personal exemption and, while giving him a break on his taxes, also simplify the paperwork the taxpayer must do in order to find out how much he owes. This amendment, doubling the exemption, will, I know, strike some as far too costly. But it need not be. We can do it—we can make this bill a true reform measure for the average American taxpayer as well as those who are above average and below it in income—if we simply determine that this is what we want to do. There is not any question in my mind, Mr. President, that this is what the American people would most welcome. I intend to support this amendment in the full realization that it will require, if it passes, that we delve deeper into the whole question of taxes in order to balance our books. But I believe it would be fairer to the American people.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Alabama (Mr. ALLEN).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. METCALF (after having voted in the negative). Mr. President, on this vote I have a live pair with the Senator from Texas (Mr. YARBOROUGH). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. COOK (after having voted in the affirmative). Mr. President, on this vote I have a live pair with the Senator from Illinois (Mr. SMITH). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from North Carolina (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Arkansas (Mr. MCCELLAN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. GORE), the Senator from Washington (Mr. JACKSON), the Senator

from Minnesota (Mr. MONDALE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Texas (Mr. YARBOROUGH) are absent on official business.

On this vote, the Senator from Nevada (Mr. CANNON) is paired with the Senator from Washington (Mr. JACKSON). If present and voting, the Senator from Nevada would vote "yea," and the Senator from Washington would vote "nay."

On this vote, the Senator from Rhode Island (Mr. PASTORE) is paired with the Senator from West Virginia (Mr. RANDOLPH). If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from West Virginia would vote "nay."

On this vote, the Senator from Alaska (Mr. GRAVEL) is paired with the Senator from Connecticut (Mr. RIBICOFF). If present and voting, the Senator from Alaska would vote "yea," and the Senator from Connecticut would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Delaware (Mr. BOGGS), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOPER), the Senator from Arizona (Mr. GOLDWATER), the Senators from New York (Mr. GOODELL and Mr. JAVITS), the Senator from Nebraska (Mr. HRUSKA), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. SAXBE), the Senator from Pennsylvania (Mr. SCOTT), the Senators from Illinois (Mr. PERCY and Mr. SMITH), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Oregon (Mr. HATFIELD), is absent because of illness in his family.

If present and voting, the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), the Senator from Illinois (Mr. PERCY), the Senator from Kentucky (Mr. COOPER), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The pair of the Senator from Illinois (Mr. SMITH) has been previously announced.

On this vote, the Senator from Oklahoma (Mr. BELLMON) is paired with the Senator from Nebraska (Mr. HRUSKA). If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Alaska (Mr. STEVENS) is paired with the Senator from New York (Mr. GOODELL). If present and voting, the Senator from Alaska would vote "yea," and the Senator from New York would vote "nay."

The result was announced—yeas 13, nays 46, as follows:

[No. 158 Leg.]

YEAS—13

Aiken	Hughes	Schweiker
Allen	Inouye	Sparkman
Byrd, W. Va.	Mansfield	Young, Ohio
Dodd	McGee	
Hartke	McGovern	

NAYS—46

Allott	Bible	Cranston
Anderson	Byrd, Va.	Curtis
Baker	Case	Dole
Bennett	Cotton	Dominick
Ellender	Jordan, Idaho	Russell
Ervin	Long	Smith, Maine
Fannin	Magnuson	Spong
Fong	Mathias	Stennis
Fulbright	McCarthy	Symington
Griffin	McIntyre	Talmadge
Gurney	Miller	Thurmond
Hansen	Murphy	Tydings
Harris	Muskie	Williams, Del.
Hart	Pearson	Young, N. Dak.
Holland	Prouty	
Hollings	Proxmire	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Cook, for.
Metcalf, against.

NOT VOTING—39

Bayh	Gravel	Packwood
Bellmon	Hatfield	Pastore
Boggs	Hruska	Pell
Brooke	Jackson	Percy
Burdick	Javits	Randolph
Cannon	Jordan, N.C.	Ribicoff
Church	Kennedy	Saxbe
Cooper	McClellan	Scott
Eagleton	Mondale	Smith, Ill.
Eastland	Montoya	Stevens
Goldwater	Moss	Tower
Goodell	Mundt	Williams, N.J.
Gore	Nelson	Yarborough

So Mr. ALLEN's amendments to the committee amendment were rejected.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I should like to inquire whether there are any other amendments which could be offered and acted on today? We have made a good start. I would like to see the momentum stepped up, and, if there are any amendments, to bring them up for a vote tonight. If not, perhaps we could get to third reading. [Laughter.]

Mr. CURTIS and Mr. WILLIAMS of Delaware addressed the Chair.

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

Mr. WILLIAMS of Delaware. Mr. President, there are several amendments that are just being prepared. I understand Senators will be ready to offer them tomorrow and Wednesday, but they are not quite ready today. I can understand that, because the bill has not been reported very long, especially for those Senators who are not on the committee. They have simply not had a chance to get their amendments prepared.

I believe that tomorrow they will be ready to go forward with them. I understand the Senator from Virginia has an amendment that he is ready to offer tonight.

Mr. MANSFIELD. Yes, I understand the Senator from Virginia has an amendment ready tonight, having to do with the surtax and its extension; but I was hopeful that before that amendment was laid before the Senate—and I believe that was the Senator's intention also—we could get other amendments called up and consider them on the same basis we have already considered three today.

Mr. WILLIAMS of Delaware. I have an amendment, as I told the Senator earlier, to reduce the percentage on the oil depletion allowance to 20 percent; but some Senators have not been notified, and I have told them I would not offer it today. I did plan that it be laid before the Senate and made the pending business later this week.

Mr. MANSFIELD. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, the distinguished Senator from Delaware has made my speech.

Mr. MANSFIELD. Would Senators consider the possibility of a time limitation on the pending measure?

Mr. AIKEN. Ten minutes. [Laughter.]

Mr. GRIFFIN. Mr. President, will the majority leader yield?

Mr. MANSFIELD. Yes, indeed. I am just inquiring.

Mr. GRIFFIN. The distinguished Senator from New York (Mr. JAVITS) asked me, in his absence, to object to any limitation on time. I would have to respect that request on his part, at least until I have an opportunity to check with him further.

Mr. MANSFIELD. I understand and appreciate the Senator's situation.

Mr. LONG. Mr. President, may I say to the distinguished majority leader that we have had some discussions about a number of amendments on depletion, which are to be offered, and it was more or less agreed that we would try to bring those amendments to a vote on next Monday, thus giving everyone a chance to arrange to be present for those votes. Some Senators wish to vote to keep depletion as it is, and some wish to vote to reduce it beyond what the Senate committee recommends, and it was thought that, with a number of absentees who are very much interested in this matter, and some here today who will not be here tomorrow, it might be best to put everyone on notice that we expect to vote on those amendments on Monday.

Frankly, of course, if a Senator feels that his side lost on a vote because of absentees, he can keep offering more and more amendments. Therefore it would be best, I believe, for everyone to be on notice that we expect to vote on those matters on that date. Then, if an interested Senator will not be able to be there, perhaps we could arrange a pair for him. But I believe if we announce that we will vote on that issue on Monday, we will not have many absentees who are interested.

Mr. MANSFIELD. Mr. President, if there be any misunderstanding that what the distinguished chairman of the committee has stated about the oil depletion allowance amendments going over until Monday means that there will be no votes tomorrow and Wednesday, Senators had better disabuse themselves of any such understanding, because I am certain that the distinguished Senator from Virginia, who will call up his amendment tonight, does anticipate that there will be a rollcall vote upon it tomorrow; is that correct?

Mr. BYRD of Virginia. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, there are several other amendments that I know of that I think will be ready for a vote tomorrow and the next day.

Mr. METCALF. Mr. President, I have some amendments, but because of the fact that the bill was so lengthy, and it has been so difficult to make the amendments comply with the bill, I have had some amendments drafted to comply with the House bill, and some drafted to comply with the original bill, as far as my amendments before the committee were concerned; and right now we are working on several amendments to make

them comply with this bill. As soon as they are prepared, they will be submitted. If I am able, I intend to submit them tomorrow or the next day.

Mr. MANSFIELD. That is fair enough. Mr. President, I suggest the absence of a quorum.

Mr. HOLLAND. Mr. President, will the Senator withhold that suggestion

Mr. MANSFIELD. I withdraw it.

Mr. HOLLAND. Perhaps I have missed it by reason of being busy in the committee; has the Senator made any announcement as to whether the Senate will meet on Friday and Saturday of this week?

Mr. MANSFIELD. No; we have already agreed to a joint resolution, which I anticipate will be approved by the House of Representatives, which calls for the Senate to adjourn at the close of business Wednesday and to come back at 10 o'clock on Monday morning next.

Incidentally, the Senate is coming in at 10 o'clock tomorrow and the next day as well.

Mr. HOLLAND. I thank the distinguished majority leader. Mr. President, I wonder if the Senator will withhold his request——

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HOLLAND. I wonder if the distinguished majority leader will withhold his request for a quorum call until I can ask the manager of the bill two or three questions with reference to one provision which I think I understand and which has been, at least as far as my mail is concerned, one of the provisions of the House bill which has received the most attention.

Mr. MANSFIELD. I would be delighted to do that. Will the Senator permit me to make one further statement, though?

It is the intention of the leadership to come in at 10 o'clock every morning next week, and Saturday morning as well. That is a week from this Saturday.

Mr. HOLLAND. Mr. President, I ask the distinguished Senator from Louisiana, who is handling the bill, if I am correct in my understanding that the committee amendments now included in the bill being considered by the Senate delete the provisions of the House bill that struck the exemption from Federal income taxation of revenue from municipal and State bonds.

Mr. LONG. Yes, the committee did that; the Senator is quite correct.

We heard from a considerable number of people interested in it. I believe the Senator is well aware, by now, of the fact that, so far as I know, every Governor in the United States is opposed to that provision, and so far as I know, every mayor and every board of county commissioners, and every commission concerned, is opposed to it as well.

It was the view of the committee that the revenue that might be expected or hoped for from taxing these State and municipal bonds was, in the last analysis, a tax upon the 230 million people of this country who would have to pay more interest on their bond issues for schools, for sanitation, for hospitals, and for other public improvements that those people might try to undertake; and it was the view of the committee that it struck at what fragment of State authority is left and, in the last analysis, achieved very little; that it would cost the taxpayers of the 50 States of this Union even more than it would raise for the Federal Government.

Mr. HOLLAND. Mr. President, I certainly congratulate the chairman of the committee and his committee for taking that position. In effect, it is a tax upon one sovereign under our Constitution—that is, the State and its parts—by the other sovereign, the Federal Government. I think it imposes a tax where it can least be sustained, because it is the States and local units of government that are having the greatest difficulty right now in raising taxes to meet their needs.

I understand, however, that there is a provision in the bill relative to the accounting of taxpayers who receive revenue from tax-exempt bonds issued by States and municipalities, school districts, and the like. If that is correct, I wish the distinguished Senator from Louisiana would state for the RECORD just what the requirement of the bill is in that regard, because I am sure there will be a great deal of interest in that provision.

Mr. LONG. Mr. President, there is no desire to place a tax upon those bonds, as the Senator so well knows, but we did feel that it would be desirable to find just how much income is being earned by those categories of taxpayers, so that we would have that knowledge; I believe that is explained on page 218 of the committee report. It says:

> The committee amendments require that every person who receives or accrues $600 or more of interest on tax-exempt State and local government bonds (or who is required to file an income tax return for the year) is to make a return setting forth these amounts and any other information with respect to these bonds which the Treasury Department prescribes by regulations. The return is to be made in the time and manner prescribed by the Treasury Department, but, insofar as practicable, the regulations are to require the return to be made in connection with the regular individual and corporate income tax returns.

The idea here is simply to find out who receives the income and for the Government to have the information available so everyone can know the facts. Some contend that this is a big tax avoidance device; the facts will prove them right or wrong. However, there was no disposition by the committee to help anyone avoid any taxes.

Mr. HOLLAND. Mr. President, I congratulate the chairman and the committee. I think it is highly desirable that the actual facts be known.

It seems to me that the requirements of the pending bill would permit actual knowledge to be gained as to what is involved in dollars and cents in this particular question.

I congratulate the chairman and the committee in striking the House provision which would have imposed a Federal tax on income received from State and municipal bonds. I think that is very fine.

The Senator speaks of all of the Governors having insisted upon that provision. I hope the Senator will include all former Governors as well. I know of none who has not taken that position.

Mr. LONG. I thank the Senator, a former Governor. So far as I know, I know of no Governor or former Governor who disagreed with the committee action. I believe they were all unanimous in agreeing with the conclusions indicated by the panel of Governors—consisting of Governor Kirk of Florida, Governor McKeithen of Louisiana, Governor Love of Colorado, Governor Evans of Washington, and Governor Tiemann of Nebraska.

I think it is a compliment to the Governor of Florida that the Governors selected him to appear as one of the panel representing the 50 States. The panel made a case that was absolutely compelling.

This was one area in which we did not have the time to hear all the Governors we would like to have heard. We had requests from 40 Governors. They were kind enough to limit their presentation and to agree that five Governors could speak for all the Governors. Governor McKeithen, of Louisiana, Governor Love, of Colorado, and the others made a case that one could not very well quarrel with. They were supported by a great many other witnesses who testified in support of their position.

While it may have been desirable to accede to the request of all 40 Governors who wanted to be heard, we believed that to have heard them further would have served no purpose because the case made by the Governors who appeared before us was most compelling.

Mr. HOLLAND. Mr. President, I thank the Senator. I hope that all other provisions of the pending bill, as long as it is—and I have not had a chance to review them all—will be as acceptable as the one we have discussed.

Mr. LONG. Mr. President, I yield the floor.

AMENDMENT NO. 287

Mr. BYRD of Virginia. Mr. President, in a few moments I plan to call up amendment No. 287. At that time I will ask that it be laid down and made the pending business for tomorrow.

Amendment No. 287 would eliminate the surcharge on income taxes as of December 31, this year.

As the Senate is aware, the surtax on income taxes was put into effect almost 2 years ago. It expired automatically on June 30, this year.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of Virginia. Mr. President, it was reinstated for the period of 6 months beginning July 1 through December 31, this year.

The proposal contained in the pending legislation would continue the surtax at a 5-percent rate until July 1, 1970.

This surtax was put on as a temporary tax. It is my feeling that the public has lost confidence in the Government because the leaders of the Government tell the public one thing and then proceed to do something else.

There is a revenue loss involved in this measure. I dislike to see that at the

present time. However, the total amount involved is only $1,700,000,000.

I submit that amount can very readily be made up by a reduction of expenses.

So, what we are faced with, as I see it, is the determination of which is of the greater importance now—restoring confidence in Government by keeping faith with the people and eliminating the so-called temporary tax as of December 31 this year, or renewing the temporary tax a second time.

I do believe that if the tax is again renewed, as proposed in the pending bill, it will then become a permanent tax.

We have already heard high Government officials say that the surtax should be continued beyond the expiration date envisioned in the pending legislation of July 1.

The surtax which was put on almost 2 years ago, and which automatically expired on June 30 this year, already has been renewed once. It is scheduled to expire on December 31, this year. However, under the pending legislation reported by the Committee on Finance, the tax will be continued for an additional 6 months, or until July 1, 1970.

If that is done, I submit that it will no longer be a temporary tax but will become a permanent tax.

Mr. President, I call up amendments No. 287 and ask that it be made the pending business when the Senate convenes tomorrow.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The assistant legislative clerk read as follows:

On page 407, beginning with line 13, of the committee amendment strike out all through line 12, page 410.

On page 410, line 13, strike out "702" and insert "701".

On page 412, line 15, strike out "703" and insert "702".

On page 432, line 4, strike out "704" and insert "703".

On page 440, line 21, strike out "705" and insert "704".

On page 453, line 6, strike out "706" and insert "705".

Mr. HARTKE. Mr. President, the Senator from Virginia expresses great concern about the surtax.

Quite honestly, when the surtax was extended recently, almost 6 months ago, at the request of the Policy Committee, it was pursuant to an agreement to bring the tax reform bill to the Senate.

I think the extension of the 10-percent surtax would have been open to very serious question.

The point is repeatedly made that the reason for the surtax is twofold. First, they say that it is needed to help fight the war in Vietnam and that it is therefore a war tax. There is no question about the fact that that is its purpose. Second, they say that it is necessary to fight inflation.

We then hear the classic 19th-century economists come up with their philosophy about overheating the economy. I have asked at the Finance Committee meetings every member of the administration, including the quadriad—the witnesses from the Federal Treasury, the Economic Advisers, the Budget Directors, and the Federal Reserve—where the economy is overheated.

They repeatedly say that the economy is overheated in all sectors. I ask them to name one part of the economy that is overheated. I ask them whether automobile production or sales is a problem.

I think that anyone who listens to the television in Washington these days can hear advertisements from the large automobile sales people in Washington, D.C. We hear them advertise a 1970 model automobile at $100 less than the dealer's cost. They will show us the dealer's invoiced price.

Refrigerators can be purchased all over the United States. There is no shortage of refrigerators or of television sets.

The television sets are available in black and white, color, 21-inch diagonal, some with good color. There is no shortage of television sets.

We do not have an overheated economy in the United States today. We have an overheated price structure. But at the present time there is not one industrial factor in the economy in which there is a shortage of supplies.

This situation goes back basically to 1965 when, either through inadvertence or intention, the country was not alerted to the fact that the war in Vietnam was costing an amount of money much higher than the estimates being provided by the administration—the Pentagon, the Treasury, and other agencies of the Government.

The fact is that when the budget figures for fiscal 1966 were presented, they were presented as costing the United States at that time $10.3 billion. Some studies made at that time, which were reported in some documentation throughout the United States, revealed that there was a gross underestimate of the cost of the war in Vietnam.

At that time I asked former Secretary Fowler whether more nearly the correct cost of the war was approximately $20 billion. He asserted at that time that it was not so. However, when the actual accounting was done 1 year later, it demonstrated that the actual cost of the war in that fiscal year was $19.8 billion, some $200 million short of $20 billion.

The whole series of events which grew out of that beginning kept on ending up in more and more austerity in the fiscal and monetary affairs of the United States. Contrary to the expectation of the individuals who were making these recommendations, contrary to their interpretation and contrary to the facts, the cost of living has sharply continued to increase since these restrictive measures in the fiscal and monetary structure have been taken.

The cost of living has increased at a faster rate every time we have gone into a stricter type of tight money policy, high tax policy, resulting in higher interest rates. At the present time there is no relief in sight.

The fact is that if we take the surtax, which the Senator from Virgina said should be ended on December 31, and look at what happened, we will find that the cost of living began to increase more sharply after the surtax was put on than it had at any time prior to that; and it has constantly accelerated, almost month by month, except for last month, ever since that time.

If we are going to take the amount of revenue, even with the surtax, it is difficult to determine whether or not there actually has been an increase or a decrease in revenue as a result of these activities, because industrial production has gone from roughly 97 percent down to its present level of 84 percent. Here, again, it demonstrates that we do not have an overheated economy.

In addition, the surtax is not in conformity with the basic idea of progressivity in our income tax structure. It is a regressive form of taxation, because it applies equally to poor and rich, and without any consideration whatever of the fact that we have a graduated income tax structure which has been the basis of our system ever since we have had this system, beginning in 1913.

What we see here, really, is an attempt to apply some rather out-of-date, outmoded economic theories to pay for a war which, frankly, at this moment would be better paid for, under these circumstances, by an expanded rather than a regressive form of tax structure and monetary policy.

There is no question whatever that the administration has indicated its intention to continue to bring about the worst of both worlds—that is, a continued increase in the cost of living, a continued decrease in the production in the United States, a continued increase in unemployment, a continued decrease in the amount of purchasing power of the average American.

I certainly think this measure is one which should be taken up and not passed over lightly, and I am looking forward to continuing tomorrow when the Senate resumes consideration of this matter.

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

Mr. HARTKE. I yield.

Mr. BYRD of Virginia. I thank the distinguished Senator from Indiana for his strong support of this amendment.

I intended to mention a few moments ago—it escaped my mind—that the Senator from Indiana made a valiant fight on behalf of such a proposal in the Finance Committee, and the vote was very close—it was 9 to 7, as I recall—by which the amendment offered by the distinguished Senator from Indiana was defeated. The closeness of that vote indicates to me that there is considerable feeling on the part of the representatives of the American people that the time has come to eliminate this so-called temporary tax. I believe very strongly that unless we do eliminate this tax as of the end of this year, it is very likely to come into the status of the excise taxes we have been renewing year after year, which likewise, when enacted, were billed as temporary taxes.

Mr. President, I ask unanimous consent that I be permitted to change the technical language of my proposal to coincide with the new bill that was laid before the Senate today. When the amendment was drawn, it applied to different page numbers.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. BYRD of Virginia. I ask unanimous consent that when the amendments are considered, they be considered en bloc.

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

Mr. HARTKE. Mr. President, I thank the Senator from Virginia for his fine words.

It is true that in the committee we did have a very close vote on the amendment as it was submitted at that time. As the Senator from Virginia has indicated, it was 7 to 9. I think the very importance of this circumstance should be debated at length.

I would hope that the efforts made on behalf of those people who are in favor of the surtax would present some economic justification or some evidence that what they have proposed here is something other than truth by assertion. In other words, the classic approach to the matter of the surtax is very simple. You have inflation; everyone admits you have inflation; you need to cure inflation; everyone knows you need to cure inflation; the way to cure inflation is to put on a surtax. They can make that conclusion without any facts whatever, never attempting to justify it.

If you ask them for an explanation, always there is the terminology which is so sweet and simple, and that is that you have an overheated economy. But they never talk about why the economy is overheated. Frankly, some things are in short supply. One of them is skilled labor. You do not increase skilled labor by unemployment. You do not increase skilled labor by shortening the workweek. That does not increase skilled labor.

I would hope the Labor Department would submit some evidence to some of their people who are interested in continuation of the surtax. I hope the Labor Department would demonstrate how they can cure the shortage of skilled labor by increasing unemployment or shortening the workweek.

William McChesney Martin is due to retire on December 31. It has been a long-held theory of his that you can increase the revenue when you cut back on corporate profits. The corporate profit structure is down. It is there. One of the elements in the corporate structure factor is that the 5-percent surtax has been a factor. Along with their misguided theory, they have the negative reserves in monetary policy, which began the last week of March of 1965. It was the first time, from 1961 to 1965, they placed the monetary policy of the Federal Reserve System into a negative position.

All during that time, from 1961 to 1965, we had a continued increase in productivity in America. We had a relatively stable cost of living. We had a continuation of the employment factors. Then they made the decision at that time to come up with this stricture of the economy, this austerity doctrine, and said that they had to go to a negative system. As I understand, that negative reserve last week reached in the neighborhood of $1 billion.

All this does, basically, is to provide, in a country with an increase in population, hopefully, that an increase in its overall economic structure would be provided with additional funds to meet that obligation. That is another part of it. The net result is that the interest rates started to go up immediately. I do not think they have hit their peak, in spite of what some people have said to the contrary. I think they are still going to go up.

I might point out that the increase in interest rates in the United States in the last year and a half has exceeded the increase in any South American country. The increase in the cost of living in the United States in the last year and a half has exceeded the increase in any South American country. We used to laugh at them when they had skyrocketing interest rates and a high cost of living.

It is important that we have something other than the outworn phrases relating to an overheated economy. I am looking forward to tomorrow to see if we cannot have some facts and figures, something other than the worn out expressions. If we do not do so, we will have a situation such as Socrates described about taking two statements which are untrue and drawing false conclusions from them.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, November 25, 1969, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 24, 1969:

U.S. MARSHAL

Emmett E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for the term of 4 years. (Reappointment.)

DIPLOMATIC AND FOREIGN SERVICE

Anthony D. Marshall, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Malagasy Republic.

HOUSE OF REPRESENTATIVES—*Monday, November 24, 1969*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He who would love life and see good days, let him turn away from evil and do right; let him seek peace and pursue it.—I Peter 3: 10, 11.

O God, creator and sustainer of the universe and of this planet we call the earth, we Thy children, created in Thine own image, turn to Thee seeking strength for these hours, guidance for our undertakings, and good will for our relationship with other people.

We are burdened by the distressing difficulties of our day and by the perplexing problems that permeate our persistent pursuit of peace. Particularly do we pray for those who, meeting in Finland, are seeking to halt the nuclear arms race and for those who, meeting in France, are searching for an honorable end to war. May real success crown these genuine endeavors.

Grant wisdom to us and to all who are responsible for our Nation's welfare. May peace come to our world with justice and freedom for all.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, November 20, 1969, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7491. An act to clarify the liability of national banks for certain taxes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7491) entitled "An act to clarify the liability of national banks for certain taxes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. BENNETT, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11702) entitled "An act to amend the Public Health Service Act to improve and extend the provisions relating to assistance to medical libraries and related instrumentalities, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. DOMINICK, Mr. JAVITS, Mr. MURPHY, Mr. PROUTY, and Mr. SAXBE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested: