

A. Mrs. Mary M. Spears, 500 23d Street NW., Washington, D.C.

B. Folsom Cordova Unified School District, 1091 Coloma Street, Folsom, Calif.

A. Joseph L. Spilman, Jr., 1625 K Street NW., Washington, D.C.

B. Mid-Continent Oil & Gas Association, 300 Tulsa Building, Tulsa, Okla.

A. Louis P. Spitz, 404 Madison Building, Washington, D.C.

B. American Association of Motor Vehicle Administrators, 404 Madison Building, Washington, D.C.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C.

B. Robert College of Istanbul, Turkey, 548 Fifth Avenue, New York, N.Y.

A. Theodore Roosevelt Storch, 220 West 24th Street, New York, N.Y.

A. Stroock & Stroock & Lavan, 1100 Connecticut Avenue NW., Washington, D.C.

B. Fuel Desulphurization, Inc., 342 Madison Avenue, New York, N.Y.

A. Structural Clay Products Industry Depletion Committee, 1032 Shoreham Building, 15th and H Streets NW., Washington, D.C.
D. (6) \$28,816.12.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Akron Community Trusts, 307 Hollywood Avenue, Akron, Ohio.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Chicago Community Trust, 10 South LaSalle Street, Chicago, Ill.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. The Cleveland Foundation, 700 Nation City Bank Building, Cleveland, Ohio.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Columbus Foundation, 100 East Broad Street, Columbus, Ohio.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Committee of the Permanent Charity Fund, 100 Franklin Street, Boston, Mass.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Hartford Foundation for Public Giving, 45 South Main Street, West Hartford, Conn.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. New York Community Trust, 415 Madison Avenue, New York, N.Y.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. Philadelphia Foundation, 1509 Girard Trust Building, Philadelphia, Pa.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. The Pittsburgh Foundation, 1417 North American Rockwell Building, Pittsburgh, Pa.

A. Norman A. Sugarman, 1956 Union Commerce Building, Cleveland, Ohio.

B. San Francisco Foundation, 425 California Street, San Francisco, Calif.

A. Sutherland, Asbill & Brennan, 1200 Farragut Building, Washington, D.C.

B. Governors of the Knights of Ak-Sar-Ben, 63d and Shirley Streets, Omaha, Nebr.

A. Sutherland, Asbill and Brennan, 1200 Farragut Building, Washington, D.C.

B. John M. Olin, Box B, Alton, Ill.

A. Richard V. Thornton, 620 Southern Building, Washington, D.C.

B. National Council of Agricultural Employers, 620 Southern Building, Washington, D.C.

A. Joseph P. Trainor, 400 First Street NW., Washington, D.C.

B. Brotherhood of Railway, Airline & Steamship Clerks, 1015 Vine Street, Cincinnati, Ohio.

A. John M. Vansant, Jr., 1250 Connecticut Avenue NW., Washington, D.C.

B. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C.

A. Herman Webb, 330 South Wells Street, Chicago, Ill.

B. International Brotherhood of Electrical Workers, 330 South Wells Street, Chicago, Ill.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C.

B. The Heckscher Foundation for Children, 52 Vanderbilt Avenue, New York, N.Y.

A. Wenchel, Schulman & Manning, 1625 K Street NW., Washington, D.C.

B. Public Welfare Foundation, Inc., 2600 Virginia Avenue NW., Washington, D.C.

A. Whitlock & Tait, 1032 Shoreham Building, 15th and H Streets NW., Washington, D.C.

B. Structural Clay Products Industry Depletion Committee, 1032 Shoreham Building, 15th and H Streets NW., Washington, D.C.

A. Wilkinson, Cragun & Barker, 1616 H Street NW., Washington, D.C.

B. Association of Data Processing Service Organizations, Inc., 420 Lexington Avenue, New York, N.Y.

A. Winepress Publishing Co., 4026 N. Longview Avenue, Portland, Ore.

A. Burton C. Wood, 1625 L Street NW., Washington, D.C.

B. National Association of Home Builders of the United States, 1625 L Street NW., Washington, D.C.

A. William E. Woods, National Press Building, Washington, D.C.

B. The National Association of Retail Drug-gists, 1 East Wacker Drive, Chicago, Ill.

A. Wyman, Bautzer, Finell, Rothman & Kuchel, 1211 Connecticut Avenue NW., Washington, D.C.

B. Paul, Weiss, Goldberg, Rifkind, Wharton & Garrison, 345 Park Avenue, New York, N.Y.

A. Youth Franchise Coalition, Inc., 1525 M Street, Washington, D.C.

A. Dr. Norman Zamcheck, 63 Kenwood Avenue, Newton Center, Mass.

A. Charles O. Zuver, 815 Connecticut Avenue NW., Washington, D.C.

B. The American Bankers Association, 90 Park Avenue, New York, N.Y.

SENATE—Tuesday, December 23, 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 holy Child of Bethlehem,
Descend to us, we pray;
Cast out our sin, and enter in,
Be born in us today.
We hear the Christmas angels
The great glad tidings tell;
O come to us, abide with us,
Our Lord Emanuel."

—PHILLIPS BROOKS.

Unto God's gracious mercy and protection we commit you.

Go in peace, be kindly disposed one to another, and may the blessing of God's love go with you and remain in this day and ever more. 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., December 23, 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 Monday, December 22, 1969, be dispensed with.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the 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.)

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.

AUTHORIZATIONS FOR INSERTIONS IN THE RECORD FOLLOWING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senators may be permitted to make insertions in the RECORD following the adjournment of Congress until the last edition authorized by the Joint Committee on Printing is published; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress. It is my understanding that the copy for the last RECORD, January 12, 1970, must be received in the Government Printing Office by 6 p.m. on that date.

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

PRINTING OF COMMITTEE REPORTS

Mr. MANSFIELD. Mr. President, with reference to the printing of committee activity reports for the second session, I state, on behalf of the chairman of the Joint Committee on Printing (Mr. JORDAN of North Carolina), that the Joint Committee on Printing has very properly ruled that the printing of such reports, both as committee prints and in the RECORD, is duplication, the cost of which cannot be justified.

It is requested that committee chairmen decide whether they wish these reports printed as committee prints or in the RECORD, since the Government Printing Office will be directed not to print them both ways.

EXECUTIVE SESSION

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

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

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

U.S. ARMY

The assistant legislative clerk read the nomination of Chaplain (Col.) Gerhard Wilfred Hyatt, xxx-xx-xxxx Army of the United States (lieutenant colonel, U.S. Army), to be a brigadier general.

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

U.S. NAVY

The assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK—ARMY, NAVY, AND MARINE CORPS

The assistant legislative clerk proceeded to read sundry nominations in the Army, the Navy, and the Marine Corps, which had been placed on the Secretary's desk.

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

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

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

LEGISLATIVE SESSION

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

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may proceed for not to exceed 10 minutes.

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

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

Mr. MANSFIELD. I yield.

A HOLIDAY MESSAGE

Mr. SCOTT. Mr. President, I should like to take this opportunity, on what we believe is to be the eve of adjournment sine die, to express my very deep thanks to Senators on both sides of the aisle for their kindness and thoughtfulness and courtesy to me, to all those in the Republican leadership who have throughout the session worked so hard and worked so well and closely and amicably together—Senator MARGARET CHASE SMITH, the conference chairman; Senator YOUNG of North Dakota, the secretary; Senator GRIFFIN, the assistant floor leader; the staffs of both the Republican and Democratic side—and to say that it has been, indeed, a privilege and a joy to work with the distinguished majority leader Senator MANSFIELD, the distinguished assistant majority leader, Senator KENNEDY, and the Secretary of the Democratic Conference, Senator BYRD of West Virginia.

I am, first of all, very honored to be allowed to stand in this Chamber, in these

times, and most grateful that the work which has been involved with the responsibility has brought me into such warm, friendly, and amicable contact with the great Senator from Montana (Mr. MANSFIELD).

Finally, on this eve of the Christmas season, before we go, I should like to simply say that we will all leave to join our families, to express our great happiness in the company of those we love, and to express the hope that we will all bear with us, ever present in our minds, hearts, and memories, the recollection that nearly 2,000 years ago history made its first great try for a moratorium—for a moratorium on wars and hatred and intolerance.

That try continues; and the men who practice the various religions of mankind, imperfect as they are, perhaps—imperfect in the nature of human kind—nevertheless, may take the Christmas joy in the fact that there was and continues this great humanistic striving for a moratorium expressed in the eternal words, "Peace on earth, good will toward men."

Mr. MANSFIELD. Mr. President, may I express my thanks to the distinguished minority leader and to join him in extending to Senators, to the attachés of the Senate, to our personal staffs, to the pages, to our friends of the fourth estate, and to our critics up there as well, a good Christmas and, I hope, a peaceful new year.

STATEMENT OF MAJORITY LEADER ON CLOSE OF ANOTHER SESSION

Mr. MANSFIELD. Mr. President, we reach the close of another session. It is the first in the administration of President Richard M. Nixon. I want to take the occasion to express my appreciation to the President for his efforts on behalf of the Nation and, particularly, with respect to foreign relations. To be sure, peace has not yet been restored. Nevertheless, there have been changes for the better; the gears of war appear to have been reversed. We are moving out of, not into, the tragedy in Vietnam. The barbaric conflict is not expanding; it is contracting. So long as additions continue to be made to the casualty list, of course, it is not contracting fast enough. Nevertheless, I can sympathize with the President's predicament. I will continue to give him, as I am sure the Senate as a whole will, every support in whatever negotiations he may undertake to end the war sooner rather than later.

The President has had, too, and he will continue to have, my personal support in seeking changes in our long-outdated Asian policy. His innovations under the Guam Doctrine and in attempting to dissipate the hostile atmosphere in U.S. relations with mainland China are useful and necessary steps in the evolution of policy, which, in my judgment, need to be pursued if future Vietnams are to be prevented. In the same fashion, the President's vigorous support of the SALT talks is most timely. Tangible progress has yet to be realized from these talks. Nevertheless, continuance of the negotiating contact with the Soviet Union is essential if we are ever to reduce the suf-

focusing burdens which armaments competition places on both nations.

It is not surprising that the support of the President by the Senate has generally been forthcoming in matters of foreign policy. It could hardly be otherwise because for many years the Senate has been a source of national leadership pointed in the new directions which are now being essayed by the administration. Indeed, this session, thanks in part to the Senate's National Commitments Resolution, may have inaugurated a new era which could witness a better coordination of the President's constitutional powers to direct foreign relations and the Senate's constitutional responsibilities of advice and consent.

This development is to be welcomed, insofar as the cooperation remains a two-way street. Notwithstanding the differences in party control as between the administration and the Senate, I will do whatever I can to sustain it because, in my judgment, it can be of inestimable value to the Nation.

In other aspects of the public's business, I am satisfied that the record of the Senate in the first session of the 91st Congress is responsible and respectable. I shall not, in these closing hours of the first session, indulge in party bickering over the merits of this record. Who did what and when? Who held matters up and who moved them ahead? I will not paint the President and the administration in an unflattering light for the sake of some flimsy political advantage. Certainly I will not treat my esteemed colleagues on the other side of the aisle in that fashion. For what went right during this session, there is credit enough to go around. And there is blame enough to spare for all for what went wrong.

In due course, there will be included in the final issue of the RECORD a full report on the legislative record of the session. It will show that innumerable measures of benefit to the citizens of the Nation have been enacted into law and many others have been set on the path to prompt legislative disposition in the next session.

If this Senate is to be characterized at all, it seems to me that it should be remembered, first, as the Senate that stayed intensely with the Vietnamese issue until the lamp of peace showed at least a flicker of light. May I add the expectation and hope that the Senate's concern will not lessen until the casualties cease and the last American soldier is withdrawn. Second, this session should be remembered for the general tax reform and tax relief bill, sought unsuccessfully for many years, ridiculed as a possibility for this session, and regarded by many as an impossible dream. It now awaits the President's signature. Finally, this Senate ought to be remembered as that moment in legislative time when the concept of the Nation's security ceased to be drawn in terms of the piling up of more and more military hardware—as the Senate which began to require from the executive branch a full and complete explanation of the relationship of vast military expenditures to defense—as the Senate which

insisted that, in the making of claims on the people's tax resources by any Administration, human values must be given their just consideration along with military demands.

For making this session of the Senate a good one, a Senate of leadership and service to the Nation, I want to thank the Members on both sides of the aisle. In particular, I want to express my gratitude to the distinguished Republican leader, the Senator from Pennsylvania (Mr. SCOTT). He has carried on superbly after the death of our late beloved colleague, Everett M. Dirksen. In the few short weeks that he has been a member of the joint leadership, he has acted in the highest traditions of service to party, to the Senate, and to the Nation. I also extend my thanks to the distinguished assistant Republican Leader, the Senator from Michigan (Mr. GRIFFIN) and to all those Senators who comprise the Republican leadership.

I want to thank, too, the outstanding assistant majority leader (Mr. KENNEDY) and the able Secretary of the majority conference, Senator BYRD of West Virginia. If it is possible to carry the responsibilities of majority leadership in the Senate, it is because of the dedication of these associates and the cooperation of the majority policy committee and the committee chairmen, and the warm personal support of every Democratic and Republican Senator.

To all of you, Republicans and Democrats alike, to my colleagues and friends, all I can say is thank you for your cooperation, your understanding, and your sense of the Senate, of the institution that it is and what it must and will always remain—a citadel of democracy and the Nation's freedom.

Mr. SCOTT. Mr. President, on behalf of all of us in the Senate, I want to express my deep personal appreciation for what the distinguished majority leader has just said and to say to him there is no one for whom we have collectively and individually so much affection.

THE LAW, ANARCHY, AND CIVIL DISOBEDIENCE

Mr. MILLER. Mr. President, an editorial entitled "The Law, Anarchy, and Civil Disobedience" was published in the Sunday Star on December 14, 1969. This is a most timely and perceptive editorial, and because of its tremendous importance in connection with what we are going through in these troubled times in our country, 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:

THE LAW, ANARCHY, AND CIVIL DISOBEDIENCE

By a 7-6 vote, the National Commission on the Causes and Prevention of Violence, whose 338-page report is published this weekend, has concluded that nonviolent civil disobedience could lead to anarchy in the United States. We agree.

Predictably, five of the six dissenters are younger than the seven who form the majority. Equally understandably, the two black members of the commission found themselves

in the minority. As they rightly put it, progress in the civil rights field over the past 15 years almost certainly would have been slower but for the activism of those who flouted unjust laws.

But the fact that the vote could not have been closer, and that the members of the majority happen to be white and a few years older than the dissenters does not invalidate the logic of their findings.

The argument between the disciples of law and the advocates of that untrammelled liberty which verges on license is as old as the human race. More recently, that is what the French Revolution—but not its American predecessor—was all about.

Insofar as theory is concerned, the side one takes is largely dictated by one's opinion of the nature of man. Those meliorists who—despite events since 1914—still believe in the perfectibility of man and in the inherent repressiveness of institutions are free, like Rousseau, to indulge in fantasies of absolute liberty.

Philosophers such as Burke—and we and the majority of the commission are with him—knowing man's nature to be violent and his appetites to be voracious, viewed civilization as possible only within a framework of carefully guarded institutions and respected laws.

This latter view does not and cannot preclude either the desirability or the inevitability of change. Freedom, social progress and economic development cannot continue to exist without constant examination and renewal of the foundations which make them possible. Men were not placed upon this earth to chew thoughtlessly like cattle upon the cud of passivity.

While the law cannot countenance it, there is a moral case to be made for the citizen who practices nonviolent civil disobedience in protest against what he conceives to be a particular evil in the social order.

His action should be the result of earnest and honest consideration and is permissible, as Terence Cardinal Cooke, one of the minority, puts it, "only as a last resort to obtain justice when all other remedies available in our system of representation" have been exhausted. The dissenter must be fully prepared to accept the legal consequences.

It is this form of protest which the commission's minority defends—and, in that context, rightly so.

But what is developing in this country today is another form of protest: A generalized, aimless, across-the-board attack on the very concept of order. Such indiscriminate squandering of the precious moral capital of civil disobedience debases the value of the act. This is not the exercise of responsible conscience; it is a cop-out on responsibility. It is doubtful whether any society can long survive in a climate of contempt for its own legal framework. This is the mood and attitude which the majority of the commission properly condemned.

The notion that men have a mass of inalienable rights which outweighs their duties to society dates largely from the publication in 1792 of Thomas Paine's "Rights of Man." It is worth noting that the French Revolution which gave political form to Paine's theories resulted in his imprisonment.

And that is the lesson which the majority of the commission is trying to get across to millions of restless young people. By combating what they hold to be hypocrisy and indifference with civil disobedience, they are forging not the foundations of a better world but their own shackles and those of their children.

As the majority of the commission puts it, "erosion of the law is an inevitable consequence of widespread civil disobedience." The consequences are clear: "Violators must ponder the fact that once they have weakened

their judicial system, the very ends they sought to attain—and may have attained—cannot be preserved."

The entire commission, including the two black members, came to the conclusion that when civil disobedience "creates social disorder, even the most sympathetic are forced to judge whether and to what extent the ends sought justify the means that are being used."

Another difficulty recognized by Dr. Milton S. Eisenhower and his twelve colleagues is that "the law cannot distinguish between the consciences of saints and sinners." While a moral distinction may exist between the youngster who burns his draft card and the Southern governor who "bars the schoolhouse door" to black children, their actions are equally illegal. And each tends to place in contempt not only the law objected to but all laws.

We believe, as does the commission, that the majority of young dissenters in this country are acting on generous impulses in an attempt to recall this nation to the ideals upon which it was founded. But we have to go along with the commission in its finding that "what is occurring in the United States today will lead to the conclusion that disobedience to valid law as a tactic of protest by discontented groups is not contributing to the emergence of a more liberal and humane society, but is, on the contrary, producing an opposite tendency.

To those "dark forces" which consciously seek not the reform but the destruction of society and its institutions we have nothing to say. Except this: They shall not succeed. Not because of the power of the current establishment, but because the coming generation of Americans, despite the confusions and the contradictions of the hour, is intelligent enough to realize that tyranny, rather than freedom, is the child of anarchy.

When men draw together to form governments which pass laws formulating the social contract to which men subscribe for their common good and mutual protection, there is an inherent, voluntary abridgment of men's rights. We agree, for instance, not to murder each other. The Tate murderers have violated that agreement, therefore society will punish them.

But if man has duties, he also has rights. At this troubled time in our history, all of us would do well to reflect upon what those rights might be. Few men have done so in a clearer and more down-to-earth fashion than Burke in the 18th Century:

"Men have a right to live by that rule (of law); they have a right to do justice, as between their fellows, whether their fellows are in public function or in ordinary occupation. They have a right to the fruits of their industry, and to the means to make their industry fruitful. They have a right to the acquisitions of their parents; to the nourishment and approval of their offspring; to instruction in life, and to consolation in death. Whatever each man can separately do, without trespassing upon others, he has a right to do for himself."

Man, poor creature that he is, lives but a short time, prey to the passions of the moment and to his own self-limiting ignorance. But institutions and laws endure. They are the product not alone of our own intelligence but of the tested wisdom of generations past. They are the only meaningful legacy we have to leave to those who will come after us. Thus it is not for any generation to destroy that which it has not made and of which, as such, it is not full owner.

Burke was a conservative. The Star is conservative. But it is important to understand what we are dedicated to conserving. We are not here to conserve privilege or to defend inequity. Rather the opposite. We are here

to preserve that rule of law which in the end is the only guarantor of the liberties of all men, including dissenters.

NOMINATIONS PENDING BEFORE THE SENATE

Mr. SCOTT. Mr. President, I ask unanimous consent that rule 38, paragraph 6, be suspended, so that nominations now pending before the Senate retain their status before the Senate for further action at the next session.

Mr. MANSFIELD. Mr. President, it is with reluctance that I am constrained to object at this time. I think the best way to handle this matter for both the Senate and the President would be to object, and I do object reluctantly.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. MANSFIELD. 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. KENNEDY. 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.

AMENDMENT OF NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 10105.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 10105) to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for fiscal years 1970, 1971, and 1972, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KENNEDY. I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

Mr. HRUSKA. Mr. President, may we have an explanation on that, because we were unable to hear the Senator. We do not know what it is. We should like to be informed.

Mr. KENNEDY. The House has asked for a conference on this auto safety bill and the request is that we agree to the conference.

Mr. HRUSKA. I thank the Senator. The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to; and the Acting President pro tempore appointed Mr. MAGNUSON, Mr. HARTKE, Mr. HART, Mr. PROUTY, and Mr. GRIFFIN conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. KENNEDY. 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. KENNEDY. 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.

ACHIEVEMENTS OF THE BANKING AND CURRENCY COMMITTEE DURING THE FIRST SESSION OF THE 91ST CONGRESS

Mr. SPARKMAN. Mr. President, during the first session of the 91st Congress, the Senate acted favorably upon 24 of the 25 bills which were handled by the committee. Of these, 14 have become public law and three are at the White House awaiting approval.

I am listing below the information concerning each of the bills handled by the committee in this session:

S. 408 (Mr. Sparkman); passed Senate March 17, 1969; P.L. 91-22; modify eligibility requirements governing the grant of assistance in acquiring specially adapted housing to include loss or loss of use of a lower extremity and other service-connected neurological or orthopedic disability which impairs locomotion to the extent that a wheelchair is regularly required. (S. Rept. 91-94, March 13, 1969, passed House May 19, 1969; approved June 6, 1969.)

S. 823 (Mr. Proxmire); passed Senate Nov. 6, 1969; would enable consumers to protect themselves against arbitrary, erroneous, and malicious credit information. (S. Rept. 91-517, Nov. 5, 1969.)

S. 1081 (Mr. Eagleton); passed Senate March 13, 1969; P.L. 91-12; provided for the striking of medals in honor of the dedication of the Winston Churchill Memorial and Library. (S. Rept. 91-95, March 13, 1969, passed House May 5, 1969; approved May 7, 1969.)

S. 1130 (Mr. Magnuson); passed Senate March 17, 1969; P.L. 91-13; provided for the striking of medals in commemoration of the 100th anniversary of the founding of the American Fisheries Society. (S. Rept. 91-96, March 13, 1969, passed House May 5, 1969; approved May 15, 1969.)

S. 1995 (Mr. Sparkman); passed Senate May 16, 1969; P.L. 91-29; provides for the striking of medals in commemoration of the 150th anniversary of the founding of the State of Alabama. (S. Rept. 91-171, May 14, 1969, passed House June 2, 1969; approved June 17, 1969.)

S. 2224 (Mr. Sparkman); passed Senate May 26, 1969; would amend the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to define the equitable standards governing relationships between investment companies and their investment advisers and principal underwriters, and for other purposes. (S. Rept. 91-184, May 21, 1969.)

S. 2540 (Mr. McIntyre); passed Senate August 13, 1969; would amend the Small Business Investment Act of 1958. (S. Rept. 91-369, August 11, 1969.)

S. 2577 (Mr. Proxmire); passed Senate November 13, 1969; provides additional mortgage credit, and for other purposes. (Senate Rept. 91-516, November 5, 1969.) Passed House December 17, 1969. Sent to President December 19, 1969.

S. 2815 (Mr. McIntyre); passed Senate August 13, 1969; would amend section 4(c) of the Small Business Act and sections 302 and 304 of the Small Business Investment Act of 1958. (S. Rept. 91-369, August 11, 1969.)

S. 2864 (Mr. Sparkman); passed Senate September 23, 1969; would amend and extend laws relating to housing and urban development and for other purposes. (S. Rept. 91-392; September 5, 1969; passed House October 23, 1969.) Sent to President, December 12, 1969.

H.R. 2 (Mr. Patman); would amend the Federal Credit Union Act so as to provide for an independent Federal agency for the supervision of federally chartered credit unions, and for other purposes. (S. Rept. 91-518, November 5, 1969; passed House July 28, 1969; on Senate Calendar.)

H.R. 4293 (Mr. Patman); passed Senate October 22, 1969; provides for continuation of authority for regulation of exports. (S. Rept. 91-336 on S. 2696, July 24, 1969; passed House October 16, 1969; Senate agreed to Conference report November 14, 1969.) Sent to further conference December 15, 1969, and December 23, 1969; Conference report agreed to by House and Senate on December 23, 1969.

H.R. 6269 (Mr. Rivers) passed Senate May 16, 1969; P.L. 91-16; provides for the striking of medals in commemoration of the 300th anniversary of the founding of South Carolina. (S. Rept. 91-172, May 14, 1969; passed House May 5, 1969; approved May 28, 1969.)

H.R. 7215 (Mr. Patman); passed Senate July 15, 1969; P.L. 91-48; provides for the striking of medals in commemoration of the 50th anniversary of the U.S. Diplomatic Courier Service. (S. Rept. 91-319, July 14, 1969; passed House May 5, 1969; approved July 22, 1969.)

H.R. 7491 (Mr. Patman); passed Senate November 21, 1969; to clarify the liability of national banks for certain taxes. (S. Rept. 91-530, November 12, 1969; passed House July 17, 1969. Sent to President, December 12, 1969.)

H.R. 8188 (Mr. Shriver); passed Senate May 20, 1969; P.L. 91-18; provides for the striking of medals in commemoration of the 100th anniversary of the founding of the city of Wichita, Kansas. (S. Rept. 91-174, May 16, 1969; passed House May 5, 1969; approved May 28, 1969.)

S.J. Res. 37 (Mr. Sparkman); passed Senate March 10, 1969; P.L. 91-9; would extend the time for the making of a final report by the Commission To Study Mortgage Interest Rates. (S. Rept. 91-92, March 7, 1969; passed House April 1, 1969; approved April 11, 1969.)

S.J. Res. 112 (Mr. Sparkman); passed Senate June 2, 1969; P.L. 91-94; would amend section 19(e) of the Securities Exchange Act of 1934 to extend the time for the SEC to report to the Congress the results of its study on institutional investors to September 1, 1970. (S. Rept. 91-206, May 27, 1969; passed House October 6, 1969; approved October 20, 1969.)

S.J. Res. 122 (Mr. Brooke); passed Senate June 26, 1969; P.L. 91-35; provides for a temporary extension of the authority conferred by the Export Control Act of 1949. (S. Rept. 91-275, June 25, 1969; passed House June 27, 1969; approved June 30, 1969.)

S.J. Res. 123 (Mr. Sparkman); passed Senate June 17, 1969; P.L. 91-236; extends time for filing of final report on mortgage interest rates. (S. Rept. 91-236, June 17, 1969; passed House June 24, 1969; approved July 1, 1969.)

S.J. Res. 140 (Mr. Dodd); passed Senate July 30, 1969; provides for the striking of medals in honor of American astronauts who have flown in outer space. (S. Rept. 91-337, July 29, 1969.)

S.J. Res. 149 (Mr. Proxmire); passed Senate September 12, 1969; P.L. 91-71; extends for three months the authority to limit the rates of interest or dividends payable on time

and savings deposits and accounts. (S. Rept. 91-397, September 10, 1969; passed House September 16, 1969; approved September 22, 1969.)

S.J. Res. 152 (Mr. Sparkman); passed Senate September 23, 1969; P.L. 91-78; provides for the temporary extension of rural housing programs and Federal Housing Administration insurance authority, and to extend the period during which the Secretary of Housing and Urban Development may establish maximum interest rates on insured loans. (S. Rept. 91-419, September 18, 1969; passed House September 24, 1969; approved September 30, 1969.)

S.J. Res. 158 (Mr. Bennett); passed Senate October 15, 1969; authorizes the minting of clad silverless dollars bearing the likeness of the late President of the United States, Dwight David Eisenhower. (S. Rept. 91-451, October 8, 1969; passed House amended October 15, 1969; House struck out all after the enacting clause of Senate passed S.J. Res. 158 and inserted the language of H.R. 14127.)

S.J. Res. 164 (Mr. Proxmire); passed Senate October 30, 1969; P.L. 91-105; provides for a temporary extension of the authority conferred by the Export Control Act of 1949. (S. Rept. 91-500, October 30, 1969; passed House October 30, 1969; approved October 31, 1969.)

Thirty-one nominations were acted on by the Committee and approved by the Senate.

ORDER OF BUSINESS

Mr. DOLE. 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. KENNEDY. 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.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED AMENDMENT OF THE SHIPPING ACT AND THE INTERCOASTAL SHIPPING ACT

A letter from the Chairman, Federal Maritime Commission, transmitting a draft of proposed legislation to amend the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to convert criminal penalties to civil penalties in certain instances (with accompanying papers); to the Committee on Commerce.

REPORT ON HURRICANE CAMILLE

A letter from the Acting Defense Commissioner, Federal Communications Commission, transmitting, pursuant to law, a report on Hurricane Camille, August 17-21, 1969, and its effect on communications, prepared by the National Industry Advisory Committee ad hoc working group, dated November 25, 1969 (with an accompanying report); to the Committee on Commerce.

BILLS INTRODUCED

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

By Mr. PROXMIRE:

S. 3302. A bill to amend the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. YARBOROUGH:

S. 3303. A bill for the relief of Harry J. Coyne, Sr.; and

S. 3304. A bill for the relief of Harry J. Coyne, Sr.; to the Committee on the Judiciary.

S. 3302—INTRODUCTION OF A BILL TO AMEND THE DEFENSE PRODUCTION ACT OF 1950

UNIFORM ACCOUNTING STANDARDS FOR DEFENSE CONTRACTORS CAN SAVE \$1 BILLION

Mr. PROXMIRE. Mr. President, I introduce a bill to renew for 2 additional years to June 30, 1972, the allocation authority contained in the Defense Production Act of 1950.

In addition, the legislation amends section 718 of the Defense Production Act dealing with Uniform Accounting Standards for defense contractors. In 1968, Congress amended the Defense Production Act by calling for the General Accounting Office to make a general study of the feasibility of implementing uniform cost accounting standards for defense contracts in excess of \$100,000.

A preliminary report from the General Accounting Office indicates that such uniform cost accounting standards are both feasible and desirable. Accordingly, section 2 of the bill I have introduced amends section 718 of the Defense Production Act by requiring the General Accounting Office to promulgate uniform cost accounting standards within 18 months of enactment of the legislation.

Admiral Rickover has said the lack of uniform cost accounting standards is the most serious deficiency in defense procurement today and that savings from uniform standards could exceed \$1 billion.

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

The bill (S. 3302) to amend the Defense Production Act of 1950, and for other purposes, was received, read twice by its title, and referred to the Committee on Banking and Currency.

ADDITIONAL COSPONSORS OF BILLS

S. 503

Mr. DOLE. Mr. President, at the request of the Senator from Oregon (Mr. HATFIELD), I ask unanimous consent that, at the next printing, the name of the Senator from Indiana (Mr. HARTKE) be added as a cosponsor of S. 503, to provide for meeting the manpower needs of the Armed Forces of the United States through a completely voluntary system of enlistments, and to further improve, upgrade, and strengthen such Armed Forces, and for other purposes.

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

S. 2658

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Texas (Mr. YARBOROUGH), I ask unanimous consent that, at the next printing, the name of the Senator from Minnesota (Mr. MONDALE) be added as a cosponsor

of S. 2658, to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children respectively.

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

S. 3113

Mr. MAGNUSON. Mr. President, I ask unanimous consent that, at the next printing, the names of the following Senators be added as cosponsors of S. 3113, to provide for a separate session of Congress each year for the consideration of appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes:

The Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. BENNETT), the Senator from Nevada (Mr. BIBLE), the Senator from Massachusetts (Mr. BROOKE), the Senator from West Virginia (Mr. BYRD), the Senator from Nevada (Mr. CANNON), the Senator from New Jersey (Mr. CASE), the Senator from Idaho (Mr. CHURCH), the Senator from Kentucky (Mr. COOK), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from Kansas (Mr. DOLE), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arizona (Mr. GOLDWATER), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUE), the Senator from Washington (Mr. JACKSON), the Senator from Idaho (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. MANSFIELD), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from Wyoming (Mr. McGEE), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Illinois (Mr. PERCY), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Virginia (Mr. SPONG), the Senator from Alaska (Mr. STEVENS), the Senator from Missouri (Mr. SYMINGTON), the Senator from South Carolina (Mr. THURMOND), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG).

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

ADDITIONAL COSPONSOR OF A JOINT RESOLUTION

SENATE JOINT RESOLUTION 156

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at the next printing, the name of the Senator from Maine (Mr. MUSKIE) be added as a co-

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sponsor of Senate Joint Resolution 156, to establish an interagency commission to make necessary plans for the United Nations Conference on the Human Environment scheduled for 1972.

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

SENATE RESOLUTION 299—RESOLUTION SUBMITTED AND AGREED TO APPOINTING A COMMITTEE TO NOTIFY THE PRESIDENT CONCERNING THE PROPOSED ADJOURNMENT OF THE SESSION

Mr. MANSFIELD submitted a resolution (S. Res. 299) appointing a committee to notify the President concerning the proposed adjournment of the session, which was considered and agreed to.

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

SENATE RESOLUTION 300—RESOLUTION SUBMITTED AND AGREED TO TENDERING THE THANKS OF THE SENATE TO THE VICE PRESIDENT

Mr. MANSFIELD submitted a resolution (S. Res. 300) tendering the thanks of the Senate to the Vice President for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

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

SENATE RESOLUTION 301—RESOLUTION SUBMITTED AND AGREED TO TENDERING THE THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. GRIFFIN (for himself and Mr. SCOTT) submitted a resolution (S. Res. 301) tendering the thanks of the Senate to the President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

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

SENATE RESOLUTION 302—RESOLUTION SUBMITTED AND AGREED TO TENDERING THE THANKS OF THE SENATE TO THE ACTING PRESIDENT PRO TEMPORE

Mr. MANSFIELD submitted a resolution (S. Res. 302) tendering the thanks of the Senate to the Acting President pro tempore for the courteous, dignified, and impartial manner in which he has presided over the deliberations of the Senate, which was considered and agreed to.

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

SENATE RESOLUTION 303—RESOLUTION SUBMITTED AND AGREED TO AUTHORIZING THE PRESIDENT OF THE SENATE TO MAKE CERTAIN APPOINTMENTS AFTER THE SINE DIE ADJOURNMENT OF THE PRESENT SESSION

Mr. GRIFFIN (for himself and Mr. SCOTT) submitted a resolution (S. Res. 303) authorizing the President of the Senate to make certain appointments after the sine die adjournment of the present session, which was considered and agreed to.

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

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, December 23, 1969, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 65. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Emogene Tilmon of Logan County, Ark.;

S. 80. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Enoch A. Lowder of Logan County, Ark.;

S. 81. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to J. B. Smith and Sula E. Smith of Magazine, Ark.;

S. 82. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Wayne Tilmon and Emogene Tilmon of Logan County, Ark.;

S. 2325. An act to amend title 5, United States Code, to provide for additional positions in grade GS-16, GS-17, and GS-18; and

S.J. Res. 154. Joint resolution to authorize and request the President to proclaim the month of January 1970 as "National Blood Donor Month."

SENATOR MCCARTHY WRITES OF AMERICA IN THE 1960'S

Mr. McGOVERN. Mr. President, the distinguished senior Senator from Minnesota (Mr. MCCARTHY) has written a most succinct and perceptive account of the major themes of the 1960's. I ask unanimous consent that his article, entitled "The Sixties," published in Look magazine for December 30, 1969, be printed in the RECORD.

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

THE SIXTIES

(By Senator MCCARTHY)

The Thirties were marked by the Depression, partial recovery and the beginning of World War II; the Forties, by the war itself and the immediate postwar adjustment. The Fifties bore the stamp of the Eisenhower Administration: it was a time of quiet, of silent and passive students, of restrained economic progress, of quantitative religious growth.

Not only did these decades carry a distinctive set of marks, but each bore a relationship to the one that had gone before. There

were clear lines of continuity running from one to the other. And there were understandable reactions in a later decade to conditions existing in the previous one.

The Sixties seem to be generally out of context. They are not a continuation of the Fifties nor a reaction to the Fifties. Even within the decade itself no clear directions or lines of movement have become manifest.

The decade began with the political defeat of Richard Nixon for President of the United States and is ending with him as President of the country.

It began with the promise of peaceful growth and progress and is ending with the United States desperately involved in a war that it cannot explain.

It began with the problem of civil rights, which most people thought could be solved in an orderly and progressive way. It is ending with a race problem for which no one is able to prescribe any very certain answer.

It began with a spirit of renewal, of ecumenism and revived religious commitment, manifest in the Catholic Church under the inspiration of Pope John and the Vatican Council. It is ending on a note of great religious confusion, if not chaos.

It began with the welcome participation of young people in the Kennedy campaign of 1960, as opposed to their repudiation and physical abuse by the Chicago police at the Democratic Convention of 1968.

Between these oversimplified points of contrast, the general condition of the Sixties has been one of contradiction, of confusion, of conflicting currents. The revolution of rising expectations was proclaimed with all the necessary rhetoric. As the years passed, the gap between rhetoric and reality continued to grow. Philosophy and policy and program in almost every major area of national concern became increasingly out of phase.

We have a policy on poverty, for example, but have neither the philosophy to sustain the policy nor a program to carry it out.

In the case of civil rights, we have philosophy and policy but a wholly inadequate program.

The principle behind our military establishment is supposedly one of defense. Yet the policies are essentially offensive, and the programs are of such magnitude that they have in fact become policy and have overridden principle.

In the conduct of our foreign policy, we are acting in keeping with principles that were established immediately following World War II—containment and preservation of the status quo—principles that are clearly inadequate for conditions more than 20 years after they were first conceived.

The young people, especially the students, are more distressed than adults are by the inconsistencies that they see. A small percentage of the young have taken the way of withdrawal or violent attack upon institutions. The greater majority, however, are neither indifferent nor alienated. Many of them made deep, even dangerous commitments toward making America what they think it should be and what they have been told by older generations that it can be.

They are inexperienced; they oversimplify; they may not have a sense of history. They have other shortcomings, but they bring with their commitment intelligence, a deep sense of moral responsibility, an openness of spirit and—hope.

These attributes, if they continue to flourish and are brought to bear upon the problems of the country, will so change the Seventies that in retrospect the Sixties will be distinguished as the decade in which the spirit of America, largely through its young people, was renewed and revitalized.

MEDICAID ABUSES BY UNSCRUPULOUS PROFESSIONALS

Mr. WILLIAMS of Delaware. Mr. President, the New York Times, on December 19, published an article entitled "Legislators Say Medicaid Abuses Cost \$60 Million." The article, written by William E. Farrell, calls attention to a report by a committee of the New York State Legislature which describes the rather widespread abuse under this program.

The allegations of fraud in the program emphasize the importance of the Committee on Finance promptly resuming its hearings on this subject next year.

The costs of both the Medicare and Medicaid programs have increased at an alarming rate, and any evidence of fraud must be dealt with promptly and affirmatively.

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:

LEGISLATORS SAY MEDICAID ABUSES COST \$60 MILLION—YEARLY LOSS IN STATE SAID TO RESULT FROM UNSCRUPULOUS PRACTICES BY PROFESSIONALS—DOCTORS SCORE FIGURES—BUT BIPARTISAN PANEL SAYS LAWS ARE NEEDED TO END THE BILKING OF FUNDS

(By William E. Farrell)

ALBANY.—A legislative committee reported today that the state's \$1-billion Medicaid program was being bilked of as much as \$60-million a year by unscrupulous doctors, dentists, pharmacists and medical institutions.

It said their tactics ranged from falsification and padding of bills to unnecessary referrals to specialists.

In an interim report sent to the majority leaders of both houses, the Joint Legislative Committee on Public Health, headed by State Senator Norman F. Lent, Nassau Republican, urged the passage of legislation imposing "penalties for those providers of services who intentionally falsify their claims or intentionally overuse the program for the purpose of padding their bills."

Spokesmen for both the state's dental and medical societies said they had not seen the report and could not comment on it in detail.

DENTAL HEAD OPPOSES FIGURES

Dr. Walter T. Heldmann, president of the Medical Society of the State of New York, said that "so far as physicians go" the committee figure of between \$50-million and \$60-million in losses "is ridiculous to begin with."

He said private physicians received less than 10 percent of last year's \$1-billion in Medicaid funds and added that he was "sure" the committee "didn't mean that better than 50 per cent of the money spent on physicians was paid needlessly."

Dr. Percy T. Phillips, secretary of the New York State Dental Society, said charges of "fraudulence" have been "blown all out of proportion."

Both doctors said that the vast bulk of Medicaid funds were received directly by hospitals, nursing homes and the like and not by private practitioners.

The committee report also recommended the enactment of laws making Medicaid recipients liable for providing false information to obtain benefits.

Under the Medicaid program, Federal, state and local funds are used to pay the full or partial medical bills of those deemed medically indigent. According to state welfare officials, 2,750,000 people are currently enrolled in Medicaid.

About half of them are on the relief rolls, but about 1.3 million are not and they are currently required to pay 20 per cent of the cost of medical services and supplies other than in-patient care in an institution.

A family of four with less than \$5,000-a-year income is eligible for Medicaid.

Joseph Jaspán, counsel to the committee, which consists of seven Republicans and four Democrats, said there was a need for "firm state legislation" dealing with abuses in the Medicaid program because existing legislation was "uncertain."

"We want absolute prohibition," Mr. Jaspán said in an interview. He said he knew of no instances in which the state had prosecuted professionals or institutions in the program, although he said there had been suspensions of doctors from the Medicaid program.

He added that legislation to be introduced early next month would provide for penalties of up to one year in jail for those convicted of Medicaid abuses.

Mr. Jaspán said that the \$60-million figure was "an estimate" arrived at after the committee had interviewed social services commissioners in a series of hearings in the state.

He said there was no comparable figure for Medicaid recipients falsely representing themselves in the program and added that the information available to date indicated that the number of such representations was "relatively small."

The committee also called for a study to determine whether Medicaid should be administered by a single agency rather than by the State Social Services Department and the Health Department, as it is now.

Citing comments by officials of both departments concerning duplication, bureaucratic confusion, delay and differences of interpretation of regulations, the committee said such a study was desirable "to determine whether a merger is economically and administratively sound."

LAW BEING STUDIED

In the meantime, the report said, the committee is studying the existing laws governing the huge Medicaid program, much of which is paid with 50 per cent Federal funds and with the state and the localities splitting the remainder, "for the purpose of suggesting legislative and administrative changes."

The committee's report drafted after six months of study as well as public and private hearings, said that despite objections from the medical profession that "overseeing" of their conduct was "an unwarranted intrusion into their professional lives," there was "substantial reason to impose some pre-treatment regulation and require post-treatment 'peer review' of the work of the providers of health services."

The committee's interviews with social service commissioners showed evidence of "unacceptable practices," the report said.

These practices included rendering bills for services that were not provided; the administration of tests unrelated to the needs of the patient; unnecessary referral of patients to one or more specialists; provision of fewer drugs and supplies than were written in prescriptions along with altering of prescriptions and the administering of inadequate medical examinations and the performance of inferior dental work.

"The cumulative evidence," the report said, "indicates that appropriate review procedures in all counties would enable recapture and savings of the \$50-60-million now believed to be lost to the program each year by reason of fraud, abuse, misuse and overuse."

"WATCHDOG SYSTEM" STARTED

The committee cited a special \$800,000 appropriation made to New York City to provide for a Medicaid "watchdog system" and

urged that similar systems be established throughout the state.

The cost of the "watchdog" committees "will be returned many times over to the contributing governmental bodies," the report said. In the interview, Mr. Jaspan said the New York system was working well.

He said that the testimony of the various social services commissioners in many cases listed specific abuses such as a podiatrist who has given every patient a series of X-ray examinations regardless of the problem and a doctor who administered a series of eight tests on all Medicaid patients no matter how minor the patient's ailment. Mr. Jaspan said he did not know if the social services officials had presented any of their data to local district attorneys, adding that that was "not really the committee's main job at the moment."

SENATOR RANDOLPH EXPRESSES CONCERN OVER ELIMINATION OF FUNDS FOR STATE TECHNICAL SERVICES PROGRAM—ADVOCATES FUNDING IN NEXT SUPPLEMENTAL APPROPRIATION

Mr. RANDOLPH, Mr. President, the House-Senate Conference on the 1970 Supplemental Appropriations bill has eliminated the entire amount of the \$5 million recommendation by the Senate Appropriations Committee for matching program funds of the Office of State Technical Services.

I am greatly concerned over this action, and its effect upon the 50 State offices, which depend on the Federal STS operation for money and leadership, and upon the small and medium size businesses which are the major beneficiaries of the technical services program.

The 1970 budget originally contained a recommendation for \$5.3 million for the period July 1, 1969, through June 30, 1970. This spring, however, the new administration reduced the request to \$290,000, an amount covering only salary and administrative expenses.

On September 22, as chairman of the Subcommittee on Science and Technology, I joined with other Senators in writing to the Department of Commerce to question this cutback.

In November, the administration made a request to restore the \$5 million, citing a study performed by the Arthur D. Little Co. which concluded that:

The program produces economic benefits which are greater than its cost . . . expected tax returns to Federal, State, and local governments based on increased economic activity generated by the program will cover its cost.

The program has been most helpful to small and medium size firms which do not have broad technical and research capabilities.

The House Appropriations Committee declined to approve any of the requested supplemental appropriation. Although the Senate approved the full amount, evidently it was not possible to gain agreement from the House conferees. I know that the Senate conferees worked actively to hold the funds in the bill.

Mr. President, it is not possible to operate this program efficiently on an off-again, on-again basis. For example, when the status of this appropriation

was placed in doubt in May, four members of the Technical Services Office in West Virginia left the program. At present, only one university in my State is active in the program, the University of West Virginia. However, the West Virginia Institute of Technology at Montgomery had submitted a program which had been approved, but could not be funded.

In earlier years Concord, Bethany, Shepard, and Wheeling Colleges had expressed an interest. It can readily be imagined how a wider participation by these institutions could assist the various sections of West Virginia in which they are located. However, the effect of this year's inaction will dampen their enthusiasm and preparation for future years.

Mr. John Frank, the director of the West Virginia State Technical Services office, informs me that this program is "sorely needed in West Virginia, where the technology level is low, and where it could materially help the economy of the State."

I therefore believe it is unfortunate and regrettable that, as of now—6 months after the start of the fiscal year—no funds are available for the substantive programs of State technical services.

It is my genuine hope that adequate money for State technical services can be secured in the next supplemental appropriations bill. I shall actively support such an effort.

PIPELINE SEWAGE TREATMENT

Mr. BOGGS, Mr. President, Congress has demonstrated its commitment to improve water quality across our Nation, appropriating \$800 million this year for grants to the States and municipalities to be used in the construction of sewage treatment facilities.

Together with this increased Federal drive toward clean waters, scientists are at the same time making greater efforts to improve sewage treatment techniques. Prof. T. W. Fraser Russell, of the University of Delaware's chemical engineering faculty, has carried out some interesting experiments into new methods for treating sewage in the pipeline rather than at the plant. With the assistance of graduate student Timothy Holmes, Professor Russell has found that pipeline treatment of raw sewage for a period of 4 hours goes further to improve the quality of water than a conventional activated sludge plant would.

Professor Russell's very interesting work has been detailed in a recent issue of the publication "Environmental Science and Technology."

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:

PIPELINE REACTOR MAY CUT SEWAGE PLANT COSTS—BIOLOGICAL TREATMENT IN TRANSFER LINE IS FEASIBLE

The lowly sewage conduit heretofore a largely ignored element in the municipal waste water collection-treatment complex,

may one day be upgraded to a continuous, two-phase, biological reactor and claim status as a relatively sophisticated piece of water treatment equipment. This prediction of two University of Delaware engineers is based on the initial results of their studies into the possibility of conducting secondary sewage treatment by the activated sludge process within the sewage transfer lines.

In fact, the two engineers, Prof. T. W. Fraser Russell of the university's chemical engineering faculty and Timothy Holmes, a graduate student in that department, are now putting the finishing touches to a case study report on the design of such a system. Their major conclusion: Pipeline sewage treatment is not only feasible, but promises to offer greater BOD reduction at lower initial capital cost than conventional activated sludge plants.

NEW TWIST TO OLD IDEA

Prof. Russell is quick to admit that "the idea of treating sewage in pipelines is not original with us." "The concept has intrigued a number of investigators over the years," he says, and adds: "What we've done is to survey much of the literature and original data on biological treatment and plant design and apply this data in quantitative form to the pipeline reactor concept."

The pipeline sewage treatment is, in essence, a natural outgrowth of a strong interest in fluid mechanics at Delaware's chemical engineering department. A major portion of Dr. Russell's research activity in the past has been directed at understanding gas-liquid flow as applied to the problems of momentum, mass, and heat transfer and chemical reaction. The chance to apply this research data to the field of sewage treatment came in the form of a grant from the university's Water Resources Center. Delaware is one of a number of institutions throughout the country at which the U.S. Department of Interior's Office of Water Resources Research has set up such a center.

AERATION THE CRITICAL STAGE

The initial phase of the investigation into the sewage pipeline reactor centered on the problem of aerating the sewage mass, perhaps the critical phase of any biological treatment. In order to optimize the introduction of oxygen into the flowing sewage, the investigators first had to resolve the problem of deciding which of a variety of flow regimes, or conditions, are applicable to sewage transfer lines, in order that the basic fluid mechanics of the oxygen-sewage system could be probed more deeply. They found that for sewage flow the two regimes of most interest are the stratified, or continuous flow, regime, and the bubble flow regime, which consists of one liquid phase and one discrete fluid phase. In fact, since most sewage lines flow by gravity, it is hard to imagine any other regime in most lines. Further investigation showed that the amount of oxygen that can be absorbed under stratified flow conditions, even if the air above the sewage is kept fresh, is very low; about twenty miles of transfer lines would be required to reach oxygen saturation.

However, if small sparger lines were introduced at the bottom of the transfer line, a bubble flow regime can be created, and it would then be possible to saturate the liquid with oxygen in a much shorter length of line, perhaps as little as two miles. This led to the concept of a three-stage pipeline reactor system. In the first, or aeration section, the oxygen content of the sewage is built up to near saturation by means of the air sparger line; in the second, or bubble flow section, the activated sludge is introduced while the air is still sparged into the system; in the third, stratified flow section, the sludge bacteria continue to degrade the organic content of the sewage in a continuous oxygen-

water system. In addition, if the primary solids removal step were introduced into the system between the last two sections, some of the floatable solids would be drawn into the liquid phase by biological degradation.

SEWAGE PLANT DESIGN

At this point, Russell and Holmes were ready to attack the problem of the design of a hypothetical sewage plant that would incorporate the pipeline treatment concept. After reviewing the literature on biological sewage treatment and plant design, a mathematical model was constructed which incorporates the important process parameters. Using this model, computer calculations can be run to predict the performance, equipment size, and costs for any plant which would incorporate the pipeline reactor concept. Although results obtained vary with the quantity and characteristics of the raw sewage to be treated, certain generalizations about the process can be made:

With a transfer line long enough to permit an equivalent residence time of four hours, BOD reduction is greater than for a conventional activated sludge plant with the same throughput capacity.

Activated sludge recycle rates can be much lower with the pipeline treatment concept.

Because of the lower sludge recycle rate, sludge handling equipment can be much smaller.

To illustrate the advantages of the proposed process, Holmes has completed a case study which compares the performance of the system with a typical, conventional, activated sludge plant that treats the effluent from a community of 100,000 that has a 5-day BOD demand of 200 mg./l. Based on this design model, Holmes predicts that, given a transfer line of 10.6 miles, the proposed process would effect a BOD removal of 96% at a sludge recycle rate of 3.7%. This compares with 90% for the conventional plant, at the typical recycle rate of 25%. Perhaps the most significant results of the study are the cost comparisons; the proposed pipeline method would cost \$700,000 less—about 30%—than the conventional plant.

UNCONVENTIONAL BUT PROMISING

The basic configuration of the proposed treatment system would differ from the conventional processes in two major respects—elimination of the secondary treatment aeration tank, and placing the aeration step ahead of primary solids removal operations. In the 10.6-mile transfer line case study, primary aeration would occur in the first 4000 ft., at which point the activated sludge would be introduced, and the biological action would occur in a 1000-ft. bubble reactor section. Bar screens and cutting screens would then accomplish the primary solids removal, and the effluent would be fed to the activated sludge clarifier. Underflow solids from the clarifier would be removed for ultimate disposal. The clarifier overflow and excess activated sludge would be fed to the stratified flow reactor where degradation of the dissolved organics and some of the floatable solids would take place in the stratified flow sections which comprise the balance of the 10.6-mile transfer line system. A final clarification step would separate the residual sludge from the clear liquid effluent.

Professor Russell is anxious to extend the work on the pipeline reactor to include conditions other than gravity flow. "We'd like to develop design criteria for pumped sewage," he states; "Since we already have some of the basic data for this from our previous work, we could accomplish it in as little as six or seven months." In the meantime, the Delaware team is ready for a chance to field test their proposed system on both municipal and industrial waste." Although our design study was done on municipal effluents, any

industrial wastes that are subject to biological degradation could be treated in this way," Russell adds.

ECONOMIC ANALYSIS OF PUBLIC EXPENDITURES

Mr. PROXMIRE. Mr. President, the Subcommittee on Economy in Government of the Joint Economic Committee has just completed a series of hearings on the Economic Analysis of Public Expenditures, an area of public policy which has been badly neglected in the past. Representative WILLIAM S. MOORHEAD was a most steadfast and dedicated participant in these investigations. He has recently given an eloquent and pointed statement on "The Congressional Budget Process: Inexplicit, Closed, and Uninformed," before the Association of Public Program Analysis. Mr. President, I ask unanimous consent that the statement be printed in the RECORD.

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

THE CONGRESSIONAL BUDGET PROCESS: INEXPLICIT, CLOSED, AND UNINFORMED

(By Congressman WILLIAM S. MOORHEAD)

I would like to begin my remarks by expressing appreciation to you for your efforts in implementing policy and issue analysis in the context of the Program Planning and Budgeting System.

As you are well aware, the Government sorely requires the yardstick of social costs and benefits to be applied to those programs supported by taxpayers' money. Only by determining those programs which have outlived or attained their original objectives; those programs whose objectives have become outdated; and those programs whose costs are far in excess of social benefits can we lay a basis for reordering our national priorities. I would argue that the application of sound economic analysis to all public programs is the first and basic step in reordering national priorities. Your leadership in both doing policy analysis and publicizing the role which it must play in an effective government has been most valuable.

As you, I believe that responsible government must adopt a more rational approach to public policy decisions. We can no longer continue with a system which fails to undertake the quantitative evaluation of the economic benefits and economic costs of program alternatives, both now and in the future, in relations to analyses of similar programs. To continue to ignore the careful consideration of gains and losses is equivalent to saying that we have no objectives; no goals which we are attempting to achieve. While it is true that the objectives of the Federal Government are less tangible and more complex than those of a business firm, they do exist, and analysis should be carried out to determine which of our alternatives will allow us to satisfy these objectives at least cost to the taxpayers. I would add that the very effort of attempting to evaluate alternatives is of substantial assistance in determining what our objectives really are. To neglect a conscious and quantitative appraisal of policy alternatives is the recipe for continued unresponsiveness and ineffectiveness of government.

While your efforts have been most important, I would emphasize that efforts to institute effective economic analysis of policy issues is not completed. In fact, only the very barest start has been made. The concrete of tradition, which protects many outworn institutions and outlooks, must be broken

down if policy analysis is ever going to be made an effective decision tool within the public sector of our economy.

I know and I am sure that you appreciate the resistance to your efforts that you have met and will continue to meet. No doubt one of the most serious of these is opposition to those in the bureaucracy who fear that sound and quantitative policy analysis will upset their comfort and, more significantly, their power and influence if it becomes effective in the decision-making process. Such forces exist in both the Executive Branch and the Legislature. You must not be discouraged by them. As time erodes vested positions and as the value of program analysis becomes more widely understood, their ability to deny analysis and information its due will be reduced.

In urging you to remain optimistic, I am arguing that one of your next steps must be to increase your efforts in publicizing the importance of the PPB System. The worst thing that could happen would be for you to withdraw into the comfortable warmth of the society of analysts—where you could discuss with fellow believers the fine points of analysis. You must make the education of nonanalysts both inside and outside of Government one of your primary missions. To fall to do so would play into the hands of those in the bureaucracy who retain their power only by keeping the spotlight of analysis away from their decisions.

THE CONGRESSIONAL NEED FOR POLICY ANALYSIS

As you may surmise, in advocating an increased role for "Missionary activity" on your part, I have a particular group in mind. While many in the Executive tend to forget the fact, the Congress plays an important role in the budget and decision process. Decision-makers in the Legislative Branch require sound policy analysis and a broad consideration of alternatives fully as much as do Executive decision-makers. I would like to give you my assessment of the present role of policy analysis in the Congress and describe what you can do to improve this situation.

In my judgment, the congressional budgetary process is one of the world's great anachronisms. In a very real sense, the congressional appropriation process is a classic example of an *inexplicit, closed, and uninformed* decision process.

This does not mean that the executive budgetary process is perfect, or that it is, in fact, very good on any absolute scale of balance. But it is both informed and open compared with the budgetary process which exists in the Legislative Branch.

In the Congress, with its committee and subcommittee system, there is very little explicit consideration of program objectives, of tradeoffs, or alternative means of achieving objectives, or of the benefits and costs of budget proposals this year and in the future. In short, Congress does not really give the budget a meaningful review because it fails to ask the right questions. Indeed, in program area after program area, the Congress does not even know what the right questions are.

I would argue that a primary reason for this is the traditional policy of the Executive Branch dealings with the Congress. In my view, the Executive has been irresponsible in its budgetary dealings with the Congress. The basic presumption of the Executive is that it can govern itself without interference of the Legislature. Consequently, it divulges to the Congress as little information as it can get away with. The Executive Branch comes to the Congress with only one budget, with only one set of program proposals, and typically with no quantitative information on the benefits and the costs of even their own proposals. There are no budget

projections; there is no description of the characteristics of the beneficiaries of programs; there is typically no indication of alternative ways to satisfy an objective.

I should emphasize, however, that much of the responsibility for this void rests on the Congress. We should demand alternatives and more sophisticated program analysis. We have not done this. For the first time in my memory, both the House and the Senate has been demanding this kind of analysis in the military area, and for reasons I will discuss later, the analyses were not made available. This effort, I believe, signals a new era in the demands of the Congress for analysis and policy studies.

One of the reasons why the Congress has performed so badly in the budgetary and appropriation areas has to do with the interest of Congressmen and Senators. Many in the Legislative Branch have little interest in or patience for careful deliberations on budgetary matters. A careful consideration of alternatives requires much effort and concentrated study of the relative merits and demerits, the costs and benefits, of alternative policy proposals. This is hard and grubby work. Many legislators not used to thinking in such terms have found it easier simply to rely on the Executive agency. Unfortunately these agencies are often more interested in selling their programs regardless of the merits than in having Congress analyze them. Other legislators, some in powerful positions, fear that the spotlight of analytical information will diminish their power to set policy in a particular area. Irrespective of the basis for the lack of interest by particular members of Congress, those of us concerned with improving the effectiveness of government must demand more and better analysis.

I would mention a further reason for Congress' poor performance in this area—the severe staffing constraints under which the Legislative Branch operates. Currently we do not have the staff either to interpret or to evaluate the analyses done by the Executive Branch if it were presented to us. More significantly, we have no staff to do program analysis on its own. An official of the Bureau of the Budget, in viewing congressional capability, stated:

"You (the Congress) have some outstanding people who can provide program evaluation, but very few. I frankly think that Congress is not very well equipped to provide that evaluation."

In addition to this lack of interest and staff, there is a further serious problem. The very organization of the Congress is such as to discourage the establishment of an effective public expenditure decision process. A primary difficulty is the organizational structure of the legislative and appropriations committees. A Congressman has strong incentive to get on a committee which would serve his own best interests and those of his constituency. The net result of this, of course, is that the committee structure develops a built-in bias toward higher budgets. Because the people who serve on each committee have an interest in seeing the budget for which they are responsible increase, they often fail to encourage a careful evaluation and analysis of expenditures. When this is combined with the well-known problems of the seniority system in combination with virtual fiefdoms in some areas, the stage is set for "power without information."

Largely as an outgrowth of this built-in committee bias, the relationship between the staffs of the committees and their counterparts in the executive agencies is hardly one of arms-length dealing. The degree of mutuality of interest between the executive staff and those on the Legislative Branch committees is substantial. I would add that this problem is not peculiar to Legislative-Execu-

tive relationships. The serious lack of an adversary climate between Budget Bureau examiners who work on the military budget and their counterparts in the Pentagon has recently been of much concern to me.

The response of the executive to the congressional situation has not been encouraging. Indeed, realizing the organizational, staff, and incentive problems in Congress, the Executive has used its monopoly on information and analysis to retain real decision-making power inside of the Bureaucracy. The failure of the Bureau of the Budget to attempt to educate the Congress to the purposes, methods, and benefits of the PPB System is only one manifestation of the Executive tendency. In preparing for my discussions with you tonight, I had my staff query a random sample of House legislative and administrative assistants as to their level of understanding of the PPB System. It is noteworthy that only about 10 percent could identify what the letters "PPB" stand for. This is appalling. If either the Executive or the Congressional leadership had been concerned with a better decision process, this result would not have occurred.

THE CONGRESS, THE MILITARY, AND ROLE OF ANALYSIS

The question of domestic priorities versus military priorities has not been a subject for discussion in the highest councils of the National Government. This is one of the primary reasons the American people today face what some call "the military juggernaut." It is one of the primary reasons for the extended talk on the "failure of government" which has manifested itself in the taxpayers' revolt.

The Legislative Branch has not developed even the beginnings of a rational decision-making process as regards the military budget. The Executive Branch, and particularly the Department of Defense, has at least formally adopted a system of analysis and evaluation for their spending programs. The Secretary of Defense never comes to the Hill without a satchel full of analytic studies evaluating the cost-effectiveness of proposed decisions. These studies which estimate costs and effectiveness enable the Secretary to understand the effects of a variety of alternative ways of reaching similar goals and enable him to well defend his proposals.

Congress has lagged far behind the Executive in developing this capability. Indeed, Congress does not even go through the motions of systematic analysis and evaluation. This is especially serious in the face of a military policy which is distorted by bloated views of contingencies, a tendency to over plan for even the most probable contingency and unhealthy relationships between military planners, procurement personnel, and contractors.

The problems of Congressional decision-making, it should be noted, are not often discussed in Congress. It is a taboo here, and the committee structure with all of its inadequacies and shortcomings is regarded by many as some part of a holy cow.

Yet the vast majority of us know that the authorization and the appropriation process often does not produce rational or good decisions, and this is especially true in the area of military spending.

My point that the Congressional appropriation process is a classic example of an in-explicit, closed, and uniformed decision process is doubled in spades as regards the military budget.

In the case of the military budget, as with others, the Executive comes before Congress with a single budget and a single set of programs. The committees might change the budget somewhat, and sometimes programs are modified. But changes and modifications

are relatively slight. The Pentagon knows it will get from Congress more or less what it requests. Moreover, it knows that it will be able to guide whatever marginal changes do get made. Especially in the area of military spending, the Congressional committees have played a passive, noncritical, and overly permissive role. As John Kenneth Galbraith pointed out in the Economy in Government Subcommittee hearings on "The Military Budget and National Economic Priorities," Congress has sorely neglected the economics of defense.

In sum, the Pentagon and defense contractors have used fear, secrecy, propaganda, and monopolization to obtain fat budgets and fat contracts. Congress, up to this year, has acquiesced.

Many who defend the status quo argue that military affairs are so technical and complicated that decisions about weapons systems and military policy are best left to the experts. They point out that the experts reside only in the Executive Branch and in the Pentagon, and that Congress is misinterpreting its role if it tries to second-guess these experts. For many years, Congress has succumbed to the temptation to delegate its authority to the Executive Branch using this "technical expertise" argument to rationalize its inaction. In fact, this argument has been carried so successfully that many in Congress now feel their responsibility fulfilled when Congress, relying upon the knowledge of the experts in the Executive Branch, exercises only common sense judgments about the broader policy questions with the aid of its own wisdom and the political pressures it perceives.

I emphatically reject this argument. In my view, it represents the abdication by Congress of its constitutional responsibility to provide for the common defense.

In my view, the function of the Legislative Branch is to make decisions on matters of public policy within its jurisdiction. Under the Constitution, national defense policy is clearly under the jurisdiction of Congress. However, and this is my main point, in order to make intelligent decisions about these matters, Congress must be informed. Currently the main obstacle to intelligent Congressional decisionmaking on the military budget is the lack of information, analysis, and qualified staff necessary to evaluate Pentagon assertions.

In point of fact, the Congress has often been misinformed by the Pentagon. Indeed, Pentagon misinformation is only exceeded by Pentagon noninformation. The numerous and shocking cases of large cost overruns, poor performance, and late delivery of weapons systems reflects very poorly the Pentagon's ability to manage the affairs entrusted to it. They also reflect on the ability of Congress to keep itself informed and to oversee Executive performance. It is such inept management and misuse of the public interest which has fostered the current lack of confidence in the ability of the public sector to serve the people.

This serious shortfall in both Executive and Legislative performance is best illustrated by the C-5A affair. Among other things, this affair triggered what could be called "The year that the Congress discovered the usefulness of systems analysis, but lacked the capability of doing anything about it." Because of the groundswell of public outrage generated by the initial investigations of the Subcommittee on Economy in Government, there has arisen a genuine feeling among many Congressmen and Senators that the Congress sorely needs an analytic capability for program evaluation across the board.

Based on the findings of the Subcommittee

on Economy in Government, I began questioning the requirement for the fourth squadron of 23 C-5A's. This was as early as March. It seemed to be a perfect system to question because:

The C-5A was an integral part of a new system for airlift—sealift capability with the FDL's. If the FDL's are cut out, do we still need the C-5A's?

The fantastically increased cost of the C-5A from \$21 million to \$45 million per plane. How does this escalation affect the cost effectiveness of the system vis-a-vis existing capabilities of C-141's, C-130's, and the new Boeing 747?

In the Senate debate over the fourth squadron of C-5A's a great deal of debate focused on the conclusions, methods, and implications of two policy studies done in the Office of Systems Analysis in OSD. One study was made in November 1968; the other in June 1969. In general, both of these studies found little if any military or economic justification for purchase of these aircraft beyond the third squadron. As is now well-known, Mr. Laird decided to override the findings of these studies. In other words, he overruled the only studies that were made in determining the justification for an additional 23 aircraft which in total will probably cost American taxpayers over \$1 billion. While some might label such a decision "tough-minded," it seems to be more appropriately called "knot-headed."

Having made his decision, Secretary Laird came to the Congress fully expecting *carte blanche* ratification. And his expectation was justified. We, in the Congress, confronted his decision with no independent analysis of our own and with no capability to generate it. In truth, all we possessed was some dribbles of information from the leaked reports. Moreover, because the Pentagon had classified these reports, their usefulness in Congressional debate was minimized.

As ultimately became known, Secretary Laird had rejected the assumption of the first study concerning the utilization rates of the aircraft under emergency conditions. He also rejected the assumptions of the second study regarding the availability of other transports and the availability of prepositioned material. I was and still am baffled concerning why the Pentagon undertakes such studies using analytical assumptions which are later going to be rejected as unrealistic.

The lesson of this sordid experience is clear. Congress finally saw itself as awkward and helpless and wholly unprepared to manage and control that for which it has constitutional responsibility. Because of the frustrating debate over the military procurement authorization bill, there is a growing consensus among those who are concerned about efficient and responsive government that the Congress should insist that the Administration undertake careful and quantitative studies of the programs which they are proposing and submit these to the Congress for its scrutiny. As an aside, it is interesting to note that I talked with a member of the Defense Appropriations Subcommittee staff about whether or not they had seen the Systems Analysis studies of the C-5A. He said neither the Subcommittee nor its staff had seen them but that, if they requested, they could be briefed on them. I asked if they had demanded any study justifying this additional buy so that they could see the assumptions on which it was based, as well as the effectiveness of the alternatives. They had not. This example, it seems to me, gives stark evidence of the ability of the Pentagon to do what it wants without interference from the Congress. The up-shot of this affair is that there is now a strong feeling in the Congress that we need a substantial increase in staff capability in the systems

analysis or program analysis area so that we may develop the capability to ask the right questions concerning both military and civilian programs.

THE FORM OF INSTITUTIONAL REFORM

If it is ultimately decided that the Congress should develop an increased analytical capability, the basic questions will have to be confronted. Where should it be housed? How large should it be? What should its responsibilities be? To whom should it report? These are tough questions.

Some argue for a straight increase in committee staffs. Although I agree that the committee staffs, and especially the appropriation committees, should have increased capability available in this area, this will not answer the basic need. There needs to be some capability available to all members of Congress desiring independent analysis and study of programs which are not prepared by existing substantive committees.

My initial feeling was that the GAO could perform this role. I have had a number of both private and public discussions with Mr. Staats about this matter. However, I grow increasingly less optimistic about this alternative. There is a basic problem of the capability becoming institutionalized and controlled by certain segments of the Congressional establishment. The danger that the staff of an independent analytic office in GAO would be severely restricted is a very real one.

A second alternative is the establishment of a semi-autonomous staff unit of, say, 10 professional analysts to the Joint Economic Committee. This is a realistic solution and, in fact, Senator Proxmire has stated his intention to introduce a resolution to this effect within the next few weeks. In Senator Proxmire's view, the services of this staff unit would be available to all members of Congress. It would have responsibility for:

- a. Stimulating and drawing from policy analysis work done in the entire analytical community;
- b. Staying abreast of analysis information and results as these develop in the Executive Branch;
- c. Establishing Congressional liaison with university analysts and those in research institutions;
- d. Monitoring in the sense of testing assumptions and checking data of studies forthcoming from any source;
- e. Translating into a form appropriate for open Congressional debate the results of complex and technical analytic studies; and
- f. Providing evaluation information and analysis to Members of Congress, Congressional committees, and their staffs.

However, even if this staff capability were achieved, the Congress would find itself at a serious disadvantage. We would be assisted in asking the right questions, but we still would not have access on an on-going basis to the wealth of studies and staff capability available to the Executive. In my view, the Congress needs to be provided by the Executive with certain basic kinds of PPB-type information on an on-going basis. The Executive Branch must be asked to develop this information and submit it regularly to the Congress in a form appropriate for use in Congressional debate. As a Report forthcoming from the Subcommittee on Economy in Government will document, we need a substantially improved budget document which will enable any member of Congress, indeed any citizen, to determine in short order the nature of any Federal program and the administering agency, the past budgetary costs of the program and the future budgetary implications of decision already made, the economic costs of the program, and the economic and social characteristics of the recipients of the program benefits. This

means that the budget document must include:

- a. A Breakdown of the Federal budget by detailed, government-wide program categories;
- b. Five-year budget projections for each major Federal expenditure program, describing the future implications of commitments of decisions made and proposed, of the sort required by Public Law 85-801 for new programs;
- c. An experimental regional budget covering those Federal programs of a grant, construction, investment, or project-type nature;
- d. A detailed analysis of "tax expenditures" including a functional and agency breakdown of these "expenditures";
- e. A detailed analysis of the full economic and distributive impact of subsidy and subsidy-like programs, including those involving loans and guarantees.

ECONOMIC ANALYSIS AND NATIONAL PRIORITIES

As I mentioned earlier, it is my belief that the public sector will not be able to accommodate flexibility to new national priorities unless the spotlight of economic analysis is placed on the full range of programs which we have inherited from the past and unless decisions are based on the results of this analysis. We need to engage in true zero-based budgeting so as to eliminate or severely reduce programs with outdated and obsolete missions and those with negative net benefits.

Although the tools of economic analysis have been with us for some time, we, for one reason or another, have failed to apply them rigorously to public expenditure policy decisions. This fact was made crystal clear in the recent Economy in Government Subcommittee hearings on "Economic Analysis and the Efficiency of Government."

In these hearings, the Subcommittee turned the hard spotlight of economic analysis on several government programs, and what we found was highly disturbing. Among the programs discussed in these hearings were Federal maritime policy, aviation policy, navigation policy, highway construction policy, urban renewal policy, water policy, water pollution control policy, and programs for institutional aid to higher education. In case after case, distinguished analysts confronted the Subcommittee with disturbing evidence of the waste, inefficiency, resource misallocation, and inequity of public expenditures and rulemaking decisions. Some examples will make this clear.

Many of the Nation's largest and renowned corporations and their stockholders received, free of charge, publicly-supported and publicly-produced goods and services—subsidies which are neither economically efficient nor available to middle-income citizens and the poor.

Federal rulemaking and regulatory policy, we were told, undertakes no analysis of the economic impact of the decisions which they make. Moreover, they are supposed to be the object of regulation in the public interest.

Enormous spending programs with little economic justification are established and supported for decades with no challenge to their existence or increased funding. This is true of Federal highway and water policy.

Some public programs designed to achieve social objectives in fact impose higher costs foster inefficiency and inflation. The structure of incentives in Medicare reimbursements and the Maritime programs are examples.

Some public programs designed to achieve social objectives in fact impose higher costs on low-income citizens, costs which are neither compensated nor considered in program decisions.

Many Federal programs generate serious

overproduction and resource misallocation because they distribute public outputs free of charge or at a price substantially below cost.

Public policy subsidizes those who generate pollution and congestion rather than making them bear the costs which they impose on society. Through this strategy, the Government fails to induce altered private behavior which would eliminate enormous pollution and congestion costs.

The conclusion of this miserable record is that open and explicit economic analysis has not been rigorously applied to public decisions. Consequently, although the Nation's needs and priorities have changed, the Federal budget has not responded. While the social demands which justify the creation of many public programs have been met or have evaporated, the tax dollars poured into these outmoded, outdated, inefficient, and inequitable programs expand as though driven by an "invisible hand." New concerns, new responsibilities, and new commitments requiring new programs or lower taxes are no match for old subsidies for supporting entrenched interests. It is clear that this new "invisible hand" does not have the properties which were attributable to its predecessor. It neither serves the public interest nor guides the economic system to respond to new demands and new needs.

Although discouraged, I am not pessimistic with regard to the future of the public sector to improve its performance. I am convinced that we can increase the efficiency, equity, and responsiveness of Government if we begin using analysis as a guide to decisions. Currently the Congress itself actually prohibits much economic analysis, and the Executive Branch expects the Congress to ratify the pre-cooked decisions with little economic justifications or open consideration of alternatives. In many cases, the instrument of Executive privilege is wheeled out to justify Executive unresponsiveness. This syndrome of bureaucratic unresponsiveness cloaked in secrecy must give way to the open and explicit consideration of alternatives based on analysis and study.

In my view, one of the first things we must do is to communicate efficiency and equity distortions to the people in clear, unmistakable terms. So far we have not done so. I have a feeling that the time is right. There is now widespread acceptance of the proposition that our national priorities are seriously out of line. To capitalize on these sentiments, we have to put the economic case against inefficient and inequitable government programs in terms people can understand and then encourage widespread debate on the issue, as was done in the case of the ABM.

Some of these cases are astonishing and could be made very popular. I would like to very quickly run through the farm subsidy case as presented to the Subcommittee by Charles L. Schultze, former Director of the Bureau of the Budget. He prefaced his comments by pointing out two interesting things. First, that very often, we undertake programs which admittedly reduce the efficiency of the economy presumably for purposes of welfare or income distribution. And that is a perfectly legitimate objective at times. But some programs, as a matter of fact many of them, tend to reduce efficiency, but don't even redistribute income in a way in which most of us would think proper—mainly, toward the poor. They tend to redistribute income upward.

If we measure the budgetary costs plus the costs to the consumer of higher prices involved in the farm program, interestingly enough it comes to about the same number as the annual cost of our strategic nuclear weapons programs. This is something like 8 to 9 billion dollars per year. This volume of subsidy tends to be distributed among farm-

ers on the basis of production; the more that is produced, in general, the higher the subsidy. It turns out that the largest 16 percent of American farmers produce about two-thirds of all farm output and get about 60 percent of the subsidies. So 60 percent of the subsidies, roughly, go to the upper 16 percent. In turn, the upper 16 percent is a group of farmers whose average net income is about \$19 to \$20 thousand per year. Two-thirds, therefore, of this \$8 to \$9 billion subsidy, direct or indirect, goes to 16 percent of the largest farmers making something in the neighborhood of \$19 to \$20 thousand per year. Calculated out, this comes to about \$7 to \$8 thousand per farmer. I find it most difficult to justify this program on equity grounds.

It is analysis like this which must be encouraged. The facts of efficiency and equity in public programs must be laid out with clarity for all to see. These facts must be brought home in open and explicit fashion to the American people.

THE ROLE OF THE COMMUNITY OF POLICY ANALYSTS

As I have tried to make clear, the decision-making process in the Congress operates with little information and under severe institutional constraints. For all intents and purposes, policy and program analysis plays little if any role in Legislative deliberations. In essence, the problem is one of contagious and spreading ignorance as a basis for decisions. I believe that this condition can over time be changed. The basic ingredient for change must be a strong and effective educational program directed at Congress and Congressional staff.

This is where I see the community of public policy analysts playing a vital role. As a first step, I would suggest that the Association of Public Program Analysts set up a seminar series for Congressional staff along the lines of the seminar program on military procurement undertaken last spring. This series should focus on the role of analysis in spotlighting waste, inefficient policy strategies and inequity in government programs. I would propose that the recent hearings of the Subcommittee on Economy in Government on "Economic Analysis and the Efficiency of Government" be used as a text book.

This seminar series can be run with little or no money, and the response on the Hill is usually pretty good. Some political appeal, of course, has to be provided in terms of egregious examples of unproductive programs and interesting and well-known speakers, such as Charles Schultze, and others, who have highly significant insights on the failure of Government to perform in the public interest.

I would hope that the explanation of the systems or programs would be in laymen's terms—stressing simplicity and common sense rather than complexity and sophistication. Moreover, the sessions would have to be geared toward recommendations for changes in public policy so that the staff can elicit action from their Congressmen or Senators on specific issues that have some immediacy.

I hope that you will seriously consider this suggestion. I will do what I can to assist you in making policy analysis relevant to the Congressional decision process.

THOUGHTS FOR CHRISTMAS; THE ROAD TO SONGMY, FROM SATURDAY REVIEW

Mr. YARBOROUGH. Mr. President, I recently received from Mr. William D. Patterson, the publisher of *Saturday Review*, a copy of the December 20 edition of that magazine. It contains a thoughtful, thought-provoking, and, I

think, brilliant editorial written by the editor of that journal, Mr. Norman Cousins, on the alleged massacre at Songmy, in South Vietnam.

At this Christmastime, when many of us are celebrating the birth of the Christ Child, who is called the Prince of Peace, I think all of us, regardless of our views about this war, would do well to read the editorial and to think on its meaning for the Nation and for this generation.

Mr. President, I ask unanimous consent that the editorial entitled "The Road to Songmy," be printed in the RECORD.

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

THE ROAD TO SONGMY

"I sent them a good boy," said Mrs. Anthony Meadlo, "and they sent home a murderer." The name of Paul David Meadlo, of New Goshen, Indiana, has figured in the reports of the slaughter of more than 100 Vietnamese civilians (some accounts put the number above 350) by American soldiers at a village named Songmy.

Where did the journey to Songmy begin? Did it begin only after Paul David Meadlo arrived in Vietnam? Or did it start far, far back—back to the first time Paul Meadlo played the game of killing Indians, or cheered when Western movies showed Indians being driven off cliffs? Even in some schoolbooks, the Indians were fit subjects for humiliation and sudden death. They were something less than fully human, and their pain levied no claim on the compassion of children—or even adults.

Long before Paul Meadlo ever saw a Vietnamese, he learned that people of yellow skin were undesirable and therefore inferior. He learned in his history class about the Oriental Exclusion Act, the meaning of which was that people from Asia were less acceptable in the United States than people from Europe. He learned very little about the culture of Asian people but he learned to associate them with all sorts of sinister behavior.

The road to Songmy is long and wide. It is littered with children's toys—toy machine guns, toy flame-throwers, toy dive bombers, toy atom bombs. Standing at the side of the road are parents watching approvingly as the children turn their murderous playthings on one another. The parents tell themselves that this is what children do in the act of growing up. But the act of growing up is an enlargement of, and not a retreat from, the games that children play. And so the subconscious is smudged at an early age by bloody stains that never fully disappear.

Paul David Meadlo grew up in a little town 10,000 miles away from Vietnam; but the kind of things that were to happen in Songmy came springing to life in his living room where there was an electronic box called television. Hour after hour, the box would be lit up by pictures showing people whose faces were smashed and pulverized, but it was part of an endless and casual routine. Where did the desensitization to human pain and the preciousness of life begin? Did it begin at formal indoctrination sessions in Vietnam, or at point-blank range in front of an electronic tube, spurring its messages about the cheapness of life.

And when the court-martial is held, who will be on trial? Will it be only the soldiers who were face-to-face with the civilians they say they were ordered to kill? The Army now says soldiers should not obey commands that are senseless and inhuman. What well-

springs of sense and humaneness are to be found in the orders to destroy *whole* villages from the air? Is a man in a plane exempt from wrongdoing solely because he does not see the faces of the women and children whose bodies will be shattered by the explosives he rains on them from the sky? How does one define a legitimate victim of war? What of a frightened mother and her baby who take refuge in a tunnel and are cremated alive by a soldier with a flamethrower? Does the darkness of the tunnel make them proper candidates for death?

Will the trial summon every American officer who has applied contemptuous terms like "gook," "dink," and "slope" to the Vietnamese people—North and South? Will it ask whether these officers have ever understood the ease and rapidity with which people who are deprived of respect as humans tend to be regarded as sub-human? Have these officers ever comprehended the connection between the casual violence of the tongue and the absolute violence of the trigger finger?

Will the men who conceived and authorized the search-and-destroy missions be on trial? Search-and-destroy quickly became destroy first and search afterward. How far away from unauthorized massacre is authorized search-and-destroy?

Will the trial ask why it was that the United States, which said it was going into Vietnam to insure self-determination, called off the countrywide free elections provided for in the 1954 Geneva Agreements—after which call-off came not just Vietcong terror but the prodigious growth of the National Liberation Front?

Will the trial ask what role the United States played in the assassination of President Ngo Dinh Diem? Will it ask how it was that political killing and subversion, which had always been regarded as despicable actions perpetrated by our enemies, should have been made into practices acceptable to the United States?

Will there be no one at the trial to explain why the negotiations at Paris were deadlocked over the shape of the table for six weeks—during which time five thousand Americans and Vietnamese were killed? If the men at Paris had been able in advance to see the faces of those who were to die, would this have made them responsible for the dead?

There is a road back from Songmy and Vietnam. It is being traveled today by the American soldiers who gave their Thanksgiving dinners and regular rations to Vietnamese, and who in deed and attitude have made themselves exemplars of a creatively humane presence. There are doctors and teachers and volunteers on this road who comprehend the possibilities and power of regeneration. But their numbers need to be swelled to bursting in order to begin to meet the need.

It is a long road back, not just for the soldiers who were there but for all of us who showed them the way to Songmy. —N.C.

SEED PRODUCTION AND TRADE

Mr. SMITH of Illinois. Mr. President, the American Seed Trade Association held its Corn Sorghum Research Conference in Chicago last week—an annual event that focuses on improvement in two of those feed grain crops that mean so much to the feed-livestock economy of America.

The contributions of the seedsman have been basic to the advancement of farm productivity, including the remarkable yield increases of recent years. Over

and beyond the matters involving seed production and trade, the ASTA is also interested in the overall progress of agriculture—including the farmer's export markets.

This subject was discussed by Assistant Secretary of Agriculture Clarence D. Palmby at the Chicago meeting. It was an extremely interesting and perceptive speech.

I ask unanimous consent that Mr. Palmby's address be printed in the RECORD.

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

REMARKS BY ASSISTANT SECRETARY OF AGRICULTURE CLARENCE D. PALMBY

It is easy to forget that as recently as 1940 the U.S. average yield of corn was still below 30 bushels per acre. This year, farmers are harvesting an acre yield of 81 bushels.

It is easy to forget that as recently as a decade ago the U.S. average yield of grain sorghum was around 35 bushels. In 10 years, sorghum yields have gone up some 20 bushels.

Many elements have contributed to the spectacular efficiency of America's corn and sorghum industries. *But first the seed.*

I congratulate the American seed trade for its outstanding contributions to agriculture. Without the rise in grain yields that you have done so much to generate, we would have a vastly different agriculture today—a vastly poorer America in terms of the food we eat—the quality of diet available even to people of modest means.

Once again, I am pleased to have a place on the program of your annual Corn Sorghum Research Conference. I have looked forward to being here. I want to talk with you about something that has been on my mind for some time.

Since returning to Government service a little less than a year ago, I have found myself more and more impressed by the fact that the world agricultural community is standing at a *point of decision* in terms of its future development. The decision is this:

We have the opportunity—our Nation and others—to move rather rapidly now to a commercial world agriculture. Parts of the world are now emerging from a subsistence economy. Other areas have the opportunity to move away from an agriculture administered by Government. Modern industrial complexes are offering job opportunities to more people.

The opportunity is present—to develop a world agricultural economy based on economic comparative advantage. This would imply less Government interference in trade and in pricing. It would mean a truly international trading economy that could do a great deal for the growth of national economies around the world.

On the other hand, the world may miss this golden opportunity. It may move further into protectionism—and this would be a disaster.

The Nixon Administration is dedicated to a freer trade concept—based on economic comparative advantage. We are pursuing this objective in a number of ways—and it is certainly true that a variety of approaches is needed, by the U.S. and by other countries.

For example, the United States supports the Organization for Economic Cooperation and Development (OECD), headquartered in Paris, and The General Agreement on Tariffs and Trade (GATT), officed in Geneva. This is good, but supporting or belonging to international forums does not in itself contribute to a lessening of trade problems and impediments. New initiatives are needed. We

need a constructive examination of internal agriculture policies within industrially developed countries, with a goal of improving and increasing the international climate for trade. We need a full appreciation of the fact that *trade is trade* regardless of whether we are talking about agricultural commodities or industrial products. They go hand in hand.

We are eager, therefore, to discuss trade problems in international forums—or, in instances, on a bilateral basis.

The fact is that there is increasing government interference in agriculture and trade, around the world. There is more involvement by governments in the pricing of exports. There is a growing tendency to set prices on the basis of destination—which means that there may be little relationship between the export price, the domestic price, and the cost of production.

In the short run at least, this will continue. At the same time, we are not reconciled to it. We will continue to do everything we can to persuade other trading nations to liberalize and rationalize their trade policies. Meanwhile, we hope to administer our own domestic policies in such a way as to permit our farm products to compete in the world.

Because of our historic involvement in the European market, we have been watching with acute interest the possibility that the United Kingdom and other nations may be admitted to the Common Market. The U.S. and other members of the so-called "outer seven"—the European Free Trade Area—are possibilities for future membership; and the outcome of these negotiations could be critical to our trade with those nations.

If those countries do enter the Community, the terms of their admission will of course be crucial as far as we are concerned. If the Community is expanded to a dozen or more members, will this mean that present restrictive agricultural policies will be extended to these additional areas? Or would it mean that the broadening of membership might cause the Community's trading policies to be tempered or even recast?

These are timely questions. They are critical questions as far as we are concerned. They are the reasons why we are watching with such intense interest the negotiations between EEC and its possible new members.

Our European friends have often said that we should not be concerned about our corn and sorghum exports. They point out that their imports of U.S. corn and soybeans have trended upward quite rapidly during the 1960's. Even since the "harmonization" of EEC grain policies in the middle 60's, imports of these commodities from the U.S. have increased. Therefore, they say, we in the U.S. have nothing to worry about.

The rightful answer is that our grain and soybean exports to Europe *should* expand and any time they do not expand we should be concerned. We have a true economic comparative advantage in producing soybeans, corn, and milo. In order for the U.S. to continue to increase our over-all trade with Europe, Japan, and other countries, we must continue to expand our sales of those commodities in which we do enjoy a comparative advantage. Otherwise they in turn cannot expect to expand or even to maintain their sales of industrial items to the United States.

The European Community has made heavy sales of feed wheat to central European countries at prices that have no relationship to world corn prices. Also, the EEC has been feeding wheat at record levels internally. Couple these facts, and they add up to a matter of considerable concern to farm and trade interests in this country.

As I look at it, there is a growing body of thought among U.S. opinion-makers—

including many in Congress—that we should definitely expect a growth in our exports of corn and soybeans. This means that European actions to produce and use more of their grain for feed, with the announced goal of lessening the need for U.S. corn, would be looked upon unfavorably by many Americans. Such actions, without downward price adjustments in Europe, would likely lead to a demand for import restrictions on many items imported into the U.S.

The mood here, as I read it, is that growth in the market for imported industrial items into this country simply cannot continue unless normal growth is allowed for our export products to Europe, Japan, and other industrially developed countries. This feeling, it seems to me, is growing. I find it sad that trends abroad should encourage this type of protectionist reaction in a Nation that has traditionally supported a liberal trade policy.

To summarize the export situation very briefly, our exports of corn and sorghums in the past marketing year, which ended September 30, were disappointing. But exports in the current marketing year are brighter—particularly for corn.

A major problem for corn and sorghum exports has been, of course, the large increase in world stocks of wheat available for export. The demand for milling wheat from the world market declined. There has been, as a result of these pressures, a deterioration in world wheat prices. There has been increased feeding of wheat—not only in the EEC, as I mentioned, but also in Spain and the United Kingdom.

Even in the United States, use of wheat for feed is growing. In 1966 and 1967, we were feeding less than 100 million bushels of wheat a year. In the current marketing year, we will feed an estimated 225 million bushels.

To summarize: U.S. corn exports were off about 15 percent last year, and sorghum exports were off 36 percent.

Looking ahead: Export prospects in the new marketing year seem considerably brighter for corn. We are not likely to increase exports of sorghum, but the opportunity for future growth in sorghum exports is certainly great. This depends primarily on our product being available the year-round at prices that are acceptable in relation to corn or grain from other countries.

In the current marketing year, world trade in feed grains should run somewhat above last year. Meanwhile, the present corn loan level in the U.S. is allowing corn to move into use at unprecedented levels. And—supplies are shorter than usual in the other principal exporting countries, Argentina and South Africa.

The upshot is that corn export in 1969-70 will be an estimated 600 million bushels or more.

Japan continues to be a major factor in the U.S. outlook. Import demand for feed grains in that country will expand this marketing year, as it has in recent years. Japanese imports of grain for feed from all sources are expected to increase at the rate of 25 to 30 million bushels per year.

Now, if I may introduce a change of subject—I would like to talk with you about something we have discussed several times before. It is not unrelated to export policy; in fact, there is a great deal of relationship between our market development efforts and the condition of the commodity that we export.

Much has been said in recent years about the condition of U.S. corn arrivals in Great Britain and other importing countries. Consistent with this problem, let me quote a few lines to you from a U.S. Department of Agriculture report:

"For several years an increasingly large number of more or less forcible and persist-

ent representations were made to the Secretary of Agriculture and other officers of the Federal Government, to the effect that much of the grain, and especially the corn, that was being exported from the United States was not being delivered abroad in a satisfactory condition, that it was not of the quality represented by the inspection certificates accompanying the shipments, and that material injury was in consequence being done to the export grain trade of the United States."

When do you think that report was submitted? In 1969? In 1968? The paragraph I just read is from a USDA circular entitled "American Export Corn (Maize) in Europe" and dated February 8, 1910!

The report also included the following paragraph:

"Several shipments or parcels, amounting in all to 79,847 bushels of badly discolored heat-damaged corn, sometimes known as 'mahogany,' which had been artificially dried before shipping, were also examined in Europe. These shipments bore certificates as 'rejected corn,' 'dried' . . . The moisture content of this corn varied from 13.2 to 17.4 percent. Such corn is used almost entirely for distilling purposes on the continent of Europe."

Finally, under "Observations and Recommendations", the Report said:

"There are two means by which the moisture content in any part or the whole of a ship's corn cargo may be increased during transit: (1) The transfer of moisture by air currents caused by changes in temperature; and (2) by chemical changes within the corn kernel."

What all this proves is that, although things change, they sometimes remain the same. It is apparent that, despite all our progress in shipping and handling, we still have problems in corn quality—after 60 years!

I think it is fair to say that these problems, if and as they exist, are caused more often than not by our rapidly changing technology. I am thinking particularly of the great increase in the amount of field selling and kiln drying. It is quite evident that we cannot ship to other countries corn that has higher quality than it possessed at the time it was sold by the farmer to the first receiver. Of necessity, following receipt of corn after the first exchange of hands, the need for blending may result in the incorporation of wider ranges of moisture levels than may be desirable. This may add to our problem.

I have discussed this problem with you many times, along with other aspects of production and handling of grains. The problem is large enough that each segment can participate in trying to improve the condition of our corn so it can be handled and shipped without undue depreciation. All of us can help.

I know that you are concerned about one situation that has been present the past few years. This is the fact that the competition for maximum yields sometimes leads to high levels of moisture in corn in normal harvesting periods. To the extent that varieties may lead to poor quality under farm conditions, the seed trade shares a responsibility.

There does seem to be some progress in developing corn for good handling qualities as well as for good yields and feeding quality. There may be promise in some of this work.

The problem for the United States in supplying corn of almost any quality and condition is a most difficult one. It is difficult because the price for corn traded in the entire world market is established at Chicago. Other suppliers price their corn in relation to U.S. prices. Need I say more?

In closing, let me reiterate that world trade policy and the domestic agricultural poli-

cies of various countries are at a critical point in their history. The world's nations could go either way—toward more protectionism or to more liberalism in their trade policies. This is a key question, not only in terms of world trade, but also in relation to future economic development of countries that need to trade in order to develop.

So we need all the help we can muster to move the world toward more liberal trade policies. Also, we need to gear our own agriculture—in production, marketing, pricing, and merchandising—to meet the requirements of the world market in the 1970's.

The U.S. is maturing as an export nation. But we will never be really mature as an exporter until we are able to look at overseas outlets as being as important to us as are the commercial poultry producer and the commercial corn processor in this country.

We have not yet attained that degree of sophistication.

THE NIGHTMARE OF DISTRICT OF COLUMBIA SCHOOLS

Mr. PROXMIRE. Mr. President, the Washington Daily News of December 18, 1969, contains an article entitled "The Nightmare of District of Columbia Schools."

This analysis of some of the many pressing problems confronting the public schools of this city should be available to every Member of Congress and every reader of the CONGRESSIONAL RECORD.

I ask unanimous consent that it be printed in the RECORD.

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

THE NIGHTMARE OF DISTRICT OF COLUMBIA SCHOOLS

(By Richard Starnes)

Enter the dirty, tombstone-colored building and you walk into a nightmare world where an aura of diffuse falls into step beside you.

There is a sound in the air that bespeaks Kafka's madhouse, a subdued keening, a wordless language that murmurs violence, despair, savagery and dread. The sound is an overture to hysteria, an obligato written for the destruction of a society.

There are warders wherever you look, but it isn't a prison. There is the unmistakable stink of lunacy on the place, but it is not an asylum. Where you are is a public school. It might be any one of a hundred in Washington (or, perhaps, in any other American ghetto, circa 1969).

It may be unfair to single out one school, for its most awful crime is that it is fairly typical. This one happens to be Shaw Junior High, and it is a monument to an unprecedented epoch of murder, rape, extortion and fear that has all but destroyed the public school system in the nation's capital.

IN RIOT AREA

Shaw sits in the middle of Washington's "charcoal alley"—the central ghetto that was burned and pillaged in the riots of April, 1968. Because it is so typical of the disaster that has overtaken the public schools here it is worth a closer look. But it is a look that should be taken within this perspective:

The District of Columbia school system, in the words of its acting superintendent, has been "seriously crippled" by vandalism and thefts, security of children has reached "a horrible point," classroom intruders have posed a "severe" threat to education.

At Cardozo High School, 13th and Clifton

streets nw, two to three purse snatchings occur in the school cafeteria every day, despite the fact that a policeman is on duty during school hours. Last winter at Cardozo an assistant principal was shot and killed by youths who robbed the school bank.

At Hart Junior High, 601 Mississippi-ave se, the score since school opened in September is two burglaries, one safe cracking, 20 assaults, an equal number of cases of extortion, more than a score of lockers looted, and an undetermined amount of teaching equipment stolen or vandalized.

An epidemic of robbery, beating and extortion has created a reign of terror for children attending public schools in the area of Bolling Air Force Base and the U.S. Naval Station in southeast Washington. Mrs. Gladys Ford, president of the Military Parents Association, told authorities that career service men were quitting the military rather than expose their children to the jungle atmosphere. "Our children are being robbed and beaten every day," she said.

On the first day of school a Paul Junior High teacher was knocked unconscious. It was the third such episode in less than a year, and teachers threatened a march on the Capitol to demand protection.

In the Anacostia (far southeast) area of the city one girl was put on tranquilizers after young thugs tore off her shirtwaist and bra during a robbery.

Early this week at Anacostia High School (scene of a shootout with 45s last year) a pupil was shot and critically wounded in a washroom.

A class at Monroe Elementary School (1725 Columbia road nw) was held at gunpoint just after the start of the current school year and a teacher's purse was looted of the \$2 it contained.

A teacher at McFarland Junior High School (Iowa-av and Webster-st nw) told a Congressional inquiry two months ago that he spent most of his time as a jailer, cop and disciplinarian. Three weeks after school started this fall he was beaten up by five drunken youths who invaded his classroom and began overturning desks. A policeman advised him to "... get yourself a club" if it happened again.

Since much of the violence comes from dropouts and truants most school officials try to restrict access to the schools to pupils who are actually attending classes. This has led to the chaining and padlocking of all but one or two exits in a number of schools, a clear violation of the law that has alarmed Fire Department officials. Altho fire marshals have made representations to principals of the schools involved the practice has not stopped.

BLACKBOARD JUNGLE

A durable—almost heroic—first witness to this nightmare is Percy Ellis, principal of Shaw Junior High, a Negro who goes everywhere in his seedy old school at a dead run, who takes cheerless pride in telling it like it is, and who might make a fruitful source for some latter-day Gibbon recording the decline and fall of the American civilization. Mr. Ellis has a round, smooth face that mirrors tragedy, elation, moody reflection and ominous forboding with the quick fluency of a performer schooled in Chinese drama.

With the quick hands of a welterweight, Mr. Ellis intercepts a skinny black child who is sidling along a corridor.

"What are you doing with those rubber bands on your wrist?" he demands. "Take them off. Throw them in the waste basket."

With the expertise of an old cop he frisks the child, and then tells him to return to his home room. When the child is gone Mr. Ellis answers a question posed by a visitor naive in the ways of the blackboard jungle.

HALLWALKER

"Why did I take the rubber bands? Because I have two good eyes and I want to keep

them. These hallwalkers use rubber bands as slingshots, and their ammunition is staples. He hasn't had any eyes put out yet, and I'd like to keep it that way."

Another question elicits the information that a "hallwalker" is a youth—truant or dropout—who invades the school but does not attend classes.

In Mr. Ellis' office a tray of untouched lunch, a wilted sandwich and a sagging piece of cherry pie, bears additional witness that the principal of a District of Columbia public school has no more time for lunch than the master of a burning passenger vessel would.

But all this is prologue. The real message of archetypal Shaw is the ominous shadow of the future that it casts.

"Something happened six months ago," Mr. Ellis tells his visitor. "It became different, much more difficult, almost unmanageable." Three veteran women teachers have come to the principal's office now—women like those for whom the word "dedicated" first was coined—and in deference to them Mr. Ellis takes rare recourse to euphemism. "Since school started I've been called s.o.b. and m.f. more times than in all my 21 years in the schools before. They stop you in the halls and want to fight you. And it is going to get worse. Something is happening."

VOLATILE

One of the teachers, bright, articulate and (curiously, like so many others in the front line of Washington's school system) a chain smoker, takes up the dreadful hard kernel of the story.

"There is something unusually volatile about Shaw," she muses. "So often we have been the first wave of whatever is going to happen. Ten years ago it was gangs, and every boy wore the uniform jacket of his gang or club. Then, long before it began to happen elsewhere, the gangs disappeared at Shaw. After that, say two years ago, we began having fires . . ." The sentence hangs unfinished in the air, while everyone in the room is reminded that 20-odd months ago the riot fires consumed a great deal of the ghetto area around Shaw. "And now . . ." Again she lets her listeners complete the sentence themselves.

Now Shaw is a place of aimless violence, where hallwalkers sow terror, where burly assistant principals stand guard at doors and stairways, where little children are drilled in the safest method of reacting to extortion.

EXHAUSTION

Like chain smoking, exhaustion is another hallmark of the people who are trying to keep Washington's public schools from slipping the last inch into the inferno. At 5 p.m. it is dark outside, and the lurking shadows in the hallways contain a malignant promise that is enough to raise the hair on a veteran of Vietnam, Watts and other way-stations in our hard hat society. But Percy Ellis is still at it, explaining, preaching, like some despairing ancient mariner unwilling to miss an opportunity to tell a man from the other side what is happening here, where it is at.

The (Teachers) union is responsible for a lot of this," he says. "This isn't a 9 to 5 job here. It takes dedication. Like those three great ladies who were here earlier. But we aren't getting that kind any more, we're getting a new breed. They won't take hall duty, which is the only thing that keeps us alive here. They won't offer that extra effort that is a minimum requirement here.

"We are trying to hold back disaster, and with them everything is a grievance. Two or three a week. Children in Shaw need self-respect, for example, and we know that a child's opinion of himself, his morale, is conditioned by his appearance. Until two or three months ago we had a necktie rule here; it was difficult to enforce, yes, but it was a valuable thing. But they made a grievance out of it, and we got orders from the superintendent's

office to stop it. Things have gotten worse since."

RACIAL IMBALANCE

Not everyone who was interviewed during a week-long survey of the beleaguered Washington schools agreed that the Washington Teachers Union (WTU) was a major factor in the coming collapse of the system. But most agreed with Mr. Ellis about a number of other elements in the gathering disaster.

From a number of different vantage points everyone alludes to the fact that integration has been a failure in Washington. The schools here are between 93 and 94 per cent black. Even busing, which is done to a limited extent, cannot redress the imbalance. Some experts (among them the voluble Percy Ellis) vow that no improvement can be expected until whites are somehow encouraged to return to the city. Others insist the problem is not one of race, but of poverty, and point to an unemployment rate among ghetto youths that may be more than 25 per cent. Almost everyone agrees that one cause is a creaking, time-encrusted bureaucracy that is unable to deal with the explosive problems that confront it. While Congress, the city's perennial scapegoat, is not wholly blameless, a good case can be made that the bulk of the blame lies elsewhere.

Sen. William Proxmire, D-Wis., a member of the Appropriations Committee considering the school system's \$185 million annual budget, recently offered figures to show that Washington was "right on top" in per capita expenditure per pupil. At \$982 per year, according to Sen. Proxmire, the nation's capital compares favorably with Cleveland's \$800, Boston's \$885 and Atlanta's \$772.

HISTORY OF NEGLECT

Benjamin J. Henley, the city's acting superintendent of schools (another worn-out chain smoker) is quick to admit the manifest ailments that afflict the schools, and cites "a long history of neglect" to explain them.

"We have urgent needs in employment, housing, education and health," he told a recent visitor to his top floor office in one of Washington's newest high rise buildings. "In the far southeast overcrowding is almost unbelievable. We need staff development—all of us need re-training."

Why the terribly physical toll on school buildings? Why more than \$200,000 worth of broken windows in the schools every year?

"The schools represent the power structure," Mr. Henley replies slowly. "The schools are an agency to which people turned with hope, and it has not done what was hoped for. If we could handle the materials that are needed quickly enough, if we had a mechanism that really made teachers think that their feelings were being taken into account, if we could respond quickly to critical situations, morale could be helped measurably."

IMPROVE READING

Mr. Henley sighs ponderously and lights another cigaret. "If I could have one wish I would have every teacher given the skills needed to improve reading in our schools. We would reduce dropouts. We would convince the community that we are doing what we are supposed to be doing."

In spite of the bubbling of the volcano beneath him, Henley says he is convinced things are getting a little better. "Student unrest is lessening," he insists. "We've been thru two moratoriums this fall with no problems. We have had a championship football game without incident."

Not unexpectedly the Washington Teachers Union takes a somewhat different attitude toward the convulsion that has beset the school system. WTU President William Simons cautiously concedes "Yes, there is a problem. But nevertheless a learning program is going on for many children. The problem that does exist is a shortage of classroom facilities, too-large classes. The average

is 35, it should be 25, and 20 for the very early grades."

(But again Shaw's tough-minded Percy Ellis: "Teacher-student ratios are meaningless. We have 1,300 enrolled in Shaw, and on an average day 20 per cent will be absent. Some classes might show as many as 45 on the books, but you visit the room and you'll find eight or 10 actually attending.")

DISCIPLINE

WTU defends its intervention in the great necktie dispute, calling a dress code "absolutely unnecessary." But it turns out that during contract negotiations for Washington's 8,000 teachers (of whom about half belong to WTU) the union opposed a dress code for teachers. "We could hardly oppose it for teachers and accept it for the children," a union spokesman said.

The next witness, is the Proxmire committee. "Whatever the problems of the District school system," a recent committee paper said, "the committee suggests that they are perhaps not wholly related to the present level of resources being committed to it.

"The children of the District of Columbia are entitled to better educational advantages than they are receiving. The schools have both the personnel and financial means to mold a system of public education second to none."

And at the locked and guarded door of Shaw, a final word from Principal Ellis:

"Discipline has vanished from the homes and from the schools. It is in fact now impossible to fire or transfer a teacher. Nothing can be accomplished without discipline. Above all else we need discipline, discipline, discipline."

DEATH OF FORMER SENATOR JAMES H. DUFF, OF PENNSYLVANIA

Mr. SCOTT. Mr. President, the Senate was shocked and saddened last Saturday to hear of the untimely death of one of our distinguished former colleagues, James H. Duff.

Known affectionately as "Big Jim" and "Big Red," he remained vigorous and independent until his death. He died Saturday after collapsing at National Airport. As usual, he was on the go and running hard. Big Jim, often called "Rough Tough Duff," was a strong man, explicit in his convictions and forward looking in his political philosophy. He was in politics all his life and knew how to get things done. Fiercely independent, he was nevertheless a gregarious, friendly man with a genuine love for people, dogs, and conviviality. He preferred scotch. He forged an impressive record as one of the most progressive Governors the Commonwealth of Pennsylvania has ever had.

James H. Duff was born in 1883 of Scottish, Irish, and Welsh ancestry. He was graduated from Princeton in 1905 and studied law at the University of Pennsylvania and at the University of Pittsburgh.

He served as attorney general of our Commonwealth from 1943 to 1947. He was elected Governor in 1947 at the age of 63. He left the Governor's Mansion for a full term in this body and left the Senate in 1957, continuing to practice law in Washington. Big Jim was catapulted into the national spotlight during his first years as a Senator and was once being considered for our party's presidential nomination. He served with

distinction on the Post Office and Civil Service Committee and on the Armed Services Committee.

The quality of independence characterized Big Jim's entire career as a Republican. He held Teddy Roosevelt, Woodrow Wilson, and Harry Truman in high esteem. They were his political favorites because, as he once said, "They were vigorously willing to fight the trend if they believed in something else."

During the Duff administration the Commonwealth of Pennsylvania made significant strides in cleaning up pollution and achieving a wide range of other progressive accomplishments. During these years State education budgets increased more than 60 percent, and special education programs were established for the blind and deaf. He initiated camps for underprivileged boys. The highway system in our State was greatly expanded during his term, as were hospitals and mental institutions. He believed in placing human rights above property rights but staunchly opposed coddling those who refused to help themselves. He once stated:

I am definitely opposed to free government handouts. On the other hand, I definitely believe in the business of government doing for people anything, within the financial framework, those things which they cannot do for themselves.

When he moved from the governorship to the Senate, Pennsylvania had a \$63 million surplus, and 3,000 new industries had moved into the State.

James Duff was an adventurer. In his early years he roamed the oil fields of Texas, and he hiked throughout the jungles of Mexico in search of Aztec artifacts years before archeologists were to search the same areas. Jim Duff was rugged. He appeared with icy blue eyes and a stubble haircut, but everyone knew that here was a man of action. Mr. President, Jim Duff died the way he would have wanted to. He was in great vigor and in action, moving with his boots on, early in the morning, traveling.

Mrs. Scott and I extend our deepest condolences to the members of his family. He will not be forgotten in our hearts or in our minds, in Washington or in our Commonwealth of Pennsylvania. We shall miss him.

I ask unanimous consent that an editorial from the Philadelphia Evening Bulletin be printed in the RECORD.

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

[From the Philadelphia-Bulletin,
Dec. 22, 1969]
JAMES H. DUFF

The sights and sounds of the 1946 campaign for governor of Pennsylvania have faded into the history books. And gone, too, now is the man who won the governorship that year, broke with the conservatives who had supported him, and established a new Republicanism in Pennsylvania. James H. Duff is dead at 86.

However, Mr. Duff was not a political theorist. A combative politician, he had neither the time nor inclination for precise blueprints of what his party ought to be. But, confronted by the day-to-day reality

of a sometimes inflexible conservatism, he had a quite exact idea of what the party shouldn't be.

It was not to be a party hitched to the concept of government "by a few, for the benefit of a few . . ." It was not to be a party indifferent to the despoiling of the state's natural resources—culm-clogged streams running red with the drainage from abandoned coal workings. And, above all, it was not to be a party to ignore people who couldn't "do for themselves," especially the population of the state's mental hospitals.

And this was his point of departure in wresting the party from former U.S. Senator Joseph R. Grundy. To the late Mr. Duff, Grundy was a political brawler, more interested in power than principle, without a clearly defined political philosophy to match the conservatism which had enriched Pennsylvania and its more energetic and venturesome citizens.

Despite Mr. Duff's stream reclamation projects, his revitalizing of mental health services, his four years as governor left his political opponents glad of only one thing. He couldn't run for another term; the State Constitution then prevented it. Thus, he couldn't convert his personal magnetism, his instinct for politics into a strong political organization.

And Mr. Duff would have done just that. He understood political power and its uses in cleansing streams and building highways. And there's another thought worth pondering: Mr. Duff's party and his state were the better for his first term. And both would have been better for a second.

"CAP" WHEELER

Mr. PELL. Mr. President, for more than 20 years in the State of Rhode Island, the name "Cap" Wheeler has been synonymous with recreational safety. As a State recreational supervisor and director of water safety, Cap Wheeler was a familiar sight at every beach and pond in Rhode Island, constantly on guard against potential safety hazards.

As an old Coast Guardsman and a long time friend of Cap Wheeler, I was particularly grieved, along with thousands of my fellow Rhode Islanders, to learn last week that Roger W. "Cap" Wheeler had died.

"Cap" Wheeler began his career in recreational safety 45 years ago, in 1924, as a member of the lifeguard force on the beaches in my home city of Newport. With a singular devotion to the cause of water safety, Cap rose to become chief of the State division of lifesaving during the late 1930's. During World War II, as a warrant officer in the Army, he trained men in rescue techniques and designed a life jacket that became standard equipment in the Air Force.

We in Rhode Island, in the years after World War II, came to know and expect that at the first signs of trouble or danger at waterfront recreation areas, Cap Wheeler would be there. Perhaps more important were Cap Wheeler's tireless efforts, through lectures and demonstrations, to help people avoid hazards and to take care of themselves.

Mr. President, Cap Wheeler will long be missed in Rhode Island. I extend to his wife, his children and grandchildren my sympathy. I ask unanimous consent that an article from the Providence

Journal of December 18 on Cap Wheeler's career be printed in the RECORD at this point.

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

R. W. WHEELER DIES; WATER SAFETY LEADER

Roger W. Wheeler, 62, of Narragansett, who devoted his life to the improvement of life-saving methods, died yesterday in South County Hospital, Wakefield.

Mr. Wheeler, known as "Cap", was the husband of Myrtle V. (Johnson) Wheeler and lived at 11 Watson Ave.

He was a state recreational supervisor and director of water safety.

Cited many times for his devotion to safety and accident prevention, Mr. Wheeler is credited with many innovations in training life-guards and improving lifesaving in the state. He had been connected with lifesaving since he joined the Newport lifeguard force in 1924.

He was an inventor of many rescue devices. During World War II a Wheeler-designed life-jacket became standard Air Force equipment.

As cold weather set in each winter, Mr. Wheeler was always the one to warn the state's residents away from skating areas until they were solidly frozen. He participated actively in many ice and beach rescues.

Mr. Wheeler was appointed chief of the former state Division of Lifesaving during the administration of former Gov. Robert E. Quinn (1937-39), but was succeeded by William G. Bradshaw during the administration of former Gov. William H. Vanderbilt, who took office in 1939.

The division was abolished in 1941 and Mr. Wheeler returned to a state job the same year as a recreational safety director.

His state service was interrupted in April, 1944, when he was appointed an Army warrant officer and was assigned to the Army Air Force Emergency School at Keesler, Miss. as an instructor in rescue procedures.

He was later transferred to Wright Field, Ohio, as a project engineer warrant officer in the rescue unit of the engineering division.

While there, he received the Army Commendation Ribbon for "the inception and implementation of numerous and invaluable experiments and development of emergency air-sea rescue procedures." He returned to his state post in 1946.

Mr. Wheeler was a former state commander of AMVETS and a former national rescue coordinator of the National Rescue and First Aid Association.

He was appointed acting chairman of the Narragansett Charter Reform Commission on Oct. 6, 1965.

Born in Newport, Sept. 28, 1907, he was a son of the late Frank M. and Agnes (Knowe) Wheeler.

He is survived by his wife, two daughters, Mrs. Carol W. Zuercher of Narragansett, and Mrs. Barbara Knerr of Providence; a stepson, John Johnson of Sacramento, Calif., and seven grandchildren.

INFLATIONARY ASPECTS OF THE TAX BILL

Mr. WILLIAMS of Delaware. Mr. President, an editorial entitled "The Case for a Veto," published in the Wall Street Journal for today, Tuesday, December 23, 1969, is an excellent commentary upon the inflationary aspects of the tax bill passed by the Senate this week.

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:

THE CASE FOR A VETO

The veto is a weapon that any President is likely to use with care. Congress, in pique, may react by refusing to take the action the President wants—or it may override the veto so overwhelmingly as to damage White House prestige.

These are risks that we think Mr. Nixon nonetheless should take in the case of the badly botched tax bill that Congress will send him this week. The product of the House-Senate conference is less bad than the measure the Senate passed, but it would by no means be good for the nation.

The conferees tossed out some of the Senate's wilder notions, such as a \$1.8 billion-a-year tax credit for tuition expenses and a \$225 million-a-year liberalization of medical expense deduction rules. However good or bad such ideas may be in normal times, the inflated present certainly does not qualify as normal.

In an effort to look more responsible, the lawmakers also delayed the impact of some of their tax goodies slightly. The net effect of all the maneuvering, according to the legislators' figures, is that the bill would increase Federal revenue by \$6.5 billion in calendar 1970.

Those figures, though, don't stand up at all well under analysis—at least they don't for anyone with a real interest in curbing inflation. The revenue gain is more than accounted for by repeal of the investment tax credit and extension of the income tax surcharge at a reduced rate to June 30.

Ending the investment credit may be unavoidable at this juncture, but the step to discourage businessmen from cost-cutting modernization has always been a dubious tax measure against inflation. And while revenue presumably will be higher with the surcharge than it would be without it, the fact is that the rate is cut to 5% from 10%.

Various of the so-called reforms that are supposed to increase revenue may do so, but the estimates of the revenue gains are frequently suspect. Tougher tax treatment of capital gains, to take only one example, may mainly mean that fewer stockholders will take capital gains. In addition to providing relatively less revenue, of course, such a development would further freeze capital markets—surely a dubious benefit.

No one seriously questions the need for true tax reform, but that plainly isn't what Congress has achieved in this weird political exercise. Whether the bill becomes law or not, this year's legislative performance well may have destroyed the chance for genuine tax reform for years to come; conscientious reformers will be leery of involvement in any similar mess at any time soon.

So far as this bill has any philosophical thrust, it is simply the old soak-the-corporations line. Tax cuts for individuals, expected to total \$9.1 billion by 1973, are to a certain extent offset by increases for the corporations.

The lawmakers are apparently banking on the fact that individuals vote while corporations do not. In this they may be selling the public short, since there is increased awareness that taxes on business are in part paid by individuals, and not just by stockholders in corporations. If a corporation wants to stay in business, it must regard taxes as part of its costs—costs that it must try to recover in the prices it charges the public.

Inflationary tax legislation might make a little sense if Congress were at the same time restraining Federal spending. The fact is that Congress is going right ahead boosting spending in a wide range of areas.

Like most people, we too would be happy to see tax cuts, but they should be planned far more reasonably than those Congress now endorses. In any case, the benefits from the proposed tax cuts are bound to be largely

illusory, as continued inflation eats away at practically everyone's income.

And, make no mistake about it, continued inflation will become all the more certain if this peculiar piece of legislation is allowed to become law.

DEATH AND INJURY TOLL FROM TRAFFIC ACCIDENTS

Mr. BOGGS. Mr. President, with the holiday season approaching, Americans across the Nation are going to hear with increasing frequency the grisly projections about the death and injury toll from traffic accidents.

There will be more injuries and fatalities over the holidays due to greater volumes of traffic on our highways, but every week the figures are nearly as high. It is unfortunate that we too often think of the tragedy of automobile death and injury only when the spirit of the holiday season makes it particularly poignant, instead of recognizing that traffic death is a major killer all year round—more than 50,000 deaths per year.

My colleague on the Committee on Public Works, the Senator from Florida (Mr. GURNEY), made an excellent speech in his home State on November 7 which deals with traffic safety problems. I ask unanimous consent that it be printed in the RECORD.

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

SPEECH OF SENATOR EDWARD J. GURNEY

Ladies and gentlemen, you will be delighted to learn that I am not here today to lecture you about seat belts; my only word on that subject is that people should stop talking about them and start using them, regularly.

What I would like to discuss with you today is the role of the Federal Government in the area of highway safety. As you probably know, I am by temperament, by inclination—and by conviction—a constitutionalist and an advocate of limiting the role of the Federal Government and keeping it out of purely local matters. I flatter myself that I enjoy the reputation of frugality in the extension of Federal power. In short, I am for States' rights.

At the same time I am, I hope, a practical man. When we are confronted with a national problem, I think the American people have a right to look to the Federal Government for leadership.

No matter how you slice it, highway safety is a national problem. It is for that reason that I supported, as a member of the House of Representatives, the passage of the National Highway Safety Act of 1966 and support the expenditure of Federal funds to carry out its objectives.

That act was the first step, and, in my judgment, it has been a good start. For the first time, it mandated Federal leadership in the area of highway safety. The act provides for grants to set up and make State and local safety programs workable. The legislation directs the Department of Transportation to report to Congress periodically on progress. The reports so far have been "encouraging."

Now "encouraging" here is a misleading word. No one in his right mind can be "encouraged" when faced with a staggering toll of slaughter on our highways—more than 50,000 deaths annually. The killing far exceeds that in Vietnam. There, since 1965 in 4 years of shooting war, our deaths have been about 30,000 as contrasted with about 200,000

deaths on our highways in the same period. Would 40,000 deaths or 30,000 deaths be satisfactory? The answer would be emphatically "no."

The tragedy seems to me to be that so many of these deaths are avoidable. Never mind the huge loss in property, but try to think of this in purely human terms. My overwhelming impression is one of senseless waste—the loss of parents, children and loved ones. In this sense, highway deaths are akin to cancer or heart diseases—accidents are so common place nowadays that we can all number in our immediate circle of acquaintances, friends or relatives, family, someone who has been maimed, or broken or killed on a highway accident. Former Senator Frank Clement of Tennessee was killed in an accident earlier this week—at the age of 49. My nephew, my sister's boy was killed last year, in his freshman year in college, in the flower of his youth.

In human terms then, the Federal presence in this area makes sense. We should have Federal standards for equipment. They might be cumbersome at first, but in the long run they will work to the benefit of us all.

The National Driver Register is a good idea, intended to assist the States in weeding out the rotten drivers. People who have their licenses revoked in one jurisdiction can't flee to another jurisdiction and be relicensed there. We should have stricter State licensing requirements. (I'm glad to know that Florida has done this already), and we should get busy to get the older, defective death-trap cars off the roads.

We should have Federal standards for testing for alcoholic drivers. On this score, let me tell you about some very significant testimony before our public works subcommittee on the safety program. Although it is impossible to state this with mathematical precision, because of the nature of the problem, the educated estimates are that drunken drivers—or drivers whose judgment is significantly impaired by alcohol—are involved in fifty percent of all fatal accidents. In real figures—this means about twenty-five thousand fatalities a year involve alcohol.

Now, we have an extremely tolerant attitude in this country about this sort of thing. The sooner we get over this foolish tolerance, and the faster we view these people for what they are—killers and potential killers—the faster we will bring down that horrible death toll.

This is an area where the States can act now—immediately. I think we should begin to think in terms of mandatory suspension of licenses for first offenders convicted of drunken driving, and more importantly, mandatory revocation of licenses for repeat-ers and chronic drunks.

When we enacted the highway safety legislation, we had in mind that the National Highway Bureau would act as a clearing house for information, for guidance, and for research. You should be on the receiving end of this information, but at the same time, and I mean this quite apart from formal reports or mandatory filings, in my view, you should be feeding your ideas in to Washington and giving the Department of Transportation the benefit of your suggestions and your experience. You people have had practical experience in this area which can be invaluable to the Federal Government.

My experience has been that often, through no fault of their own, our Federal technicians and administrators tend to be more theoretical than practical in their approach to these problems, and they think of statistics as abstractions. Many of you in this audience know there is nothing abstract or theoretical about arresting a drunken driver, giving first aid to an injured child, or pulling a pathetically mangled motorist out of

the wreck that once was a car. Such experiences are all too real, too ghastly, and too direct. I urge you to get on to Washington with your experiences, your views, and your suggestions. Do it through my office or through any member of the Florida delegation, or go directly to the Department of Transportation and to the National Highway Safety Bureau. You can make the statistics meaningful.

We are a Nation of confident and self-reliant people. Because of this trait, we all think of ourselves individually as excellent drivers and we instinctively blame accidents on the other fellow.

An American would no more fault his own driving than he would deny having a sense of humor, or admit that he didn't like dogs. Point of fact however we can all use improvement, and we can all benefit from education and the updating of our driving methods and technics. The vast majority of us over thirty never took a driving course in school or had any formal driver training. We learned to drive the way we learned to swim or play ball—our fathers taught us on Sunday afternoons. On those happy days years ago, conditions were so very different: the roads were winding maybe, but the traffic was light. The cars were slower, but simpler. It was, above all, fun. It still can be fun. The old days are gone, alas, forever, but by using our heads and our know-how we can beat the new problems. The primary responsibility to make driving safe rightfully remains with the States. But, I can assure you that we will continue to do our best in Washington to help you in your task with funds, with research, and information, with advice, and, I hope, with leadership.

Thank you for your kind attention.

A RESTORATION OF CONFIDENCE

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent comment upon one of the central problems of this Republic. It is an article entitled "A Restoration of Confidence," published in the New Republic of December 20 and 27, 1969.

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

A RESTORATION OF CONFIDENCE

The final question put to the President at his latest press conference was this: "Your Administration has been charged with the failure to reach the young people—both those who protest and march and those who don't. Have you any specific plans for reaching the young people of this country?" The President did not, and did not seem to feel he needed one. Unfortunately, the question was poorly phrased. There has been no failure of communication, but of policy. "Those who protest and march" are not consumers, who for reasons of obstinacy, obtuseness or indifference, are boycotting a merchandiser—in this case, the President—whose policy more clever advertising could sell. The unpersuaded simply don't like the product and don't believe Mr. Nixon's claims for it. They don't believe that the NLF's peace proposals are "quite frivolous," or that "virtually all" of the 1,200,000 Americans who have been in Vietnam "have helped the people of Vietnam in one way or another"; or that the President sincerely thinks "the people of the US are entitled to know everything that they possibly can with regard to any involvement of the US abroad." How can they believe that? Time and again, the people have not known, because they have not been told. The

most recent examples are the still-concealed extent of US bombing of Laos, and the still-to-be-revealed amount of US payments to Thailand and South Korea for their collaboration in Vietnam.

To dismiss "those who protest and march" as a minority, and a not quite respectable minority, is to miss their significance. Nose counting is not the ultimate in political wisdom; it is a very primitive measure of the quality of what is being said, and of the social impact this particular minority has now and will have in the years ahead.

The press conference question should have been phrased thus: Why has confidence in authority, especially among the young, broken down, and how might it be repaired? It has broken down for reasons unrelated to the arts and techniques of communications, which are the most sophisticated in history. Part of the answer lies in the dissidents' scorn for the anonymity of bureaucracy, of systematization. Many of the young see society as an anthill, and they don't want to live like ants. If they mock the affluent society, it is because its affluence (and its freedoms) are not equitably shared, and because this on-the-make consumer civilization overvalues things and undervalues people. In sum, confidence has broken down because traditional values have not broken down. They are being taken seriously. And because they are, authority is being held to account for its fourth of July commitments to personal dignity, fair play, freedom of speech and assembly, equal opportunity for all manner and race of men. Authority, as represented by this Administration, might have been spared some of youth's anger and skepticism had its oratory been less laudatory of the American Dream. "Those who protest and march and those who don't" cannot comprehend how the hungry can be fed, cities made livable, rivers and air purified, the uneducated properly schooled—so long as the President and Congress commit most of our national budget to the military.

Most of all, confidence in authority has broken down because of Vietnam. Our obsession with "fighting Communism" had led us to this abhorrent war, which authority repeatedly justified against every prudential and compassionate counsel. Of all the sources of disaffection, Vietnam must be put first. Our experience there has brought home to us that we too, as Senator Fulbright said last week, "are susceptible to the same virus of brutalization that other societies have come to, and nothing contributes more to the moral breakdown of a society than the long continuation of an unjust and unnecessary war."

Mr. Nixon has never seen to the bottom of the case against the war—that it is unjustified. "For whatever their reasons—conviction, pride or dogmatic anti-Communism—our policy makers," Senator Fulbright points out, "have never been willing to recognize the Vietnamese conflict for that which virtually every expert and seasoned observer has long recognized it to be: a civil conflict in which Communism is and always has been secondary to the drive for national independence." Until they do, policy will not change. It is by now clear that Mr. Nixon is not determined to end the war through negotiations (for the prerequisite to that is a government in Saigon with which the NLF and Hanoi can deal), but is bent on prosecution of the war on the cheap. His real strategy, Walter Lippmann writes in *Newsweek*, "is to appease American dissent by removing many of the burdens of the war—by amending the draft so that primarily 19-year-olds are vulnerable, by changing the tactics of the battlefield to reduce the casualties, by withdrawing most of the combat infantry. The theory of the strategy is that a long occupa-

tion, using some 200,000 support troops and the artillery and the Air Force, can be made acceptable to the American people. The official strategy is addressed not to negotiating with our adversaries, but to placating American opinion." This is the strategy the President and Secretary Laird call Vietnamization; that is, a proxy war. So it is that Mr. Nixon can reply as follows to a question concerning our subsidies to the Thais for their collaboration in Vietnam—"I would much rather pay out some money to have them [the Thais] there than to have American men fighting there in their place."

That ephemeral "silent majority" may be temporarily placated (the marchers will not) by such strategy. But even that majority will wise up to what is being done. A Saigon government that has to be carried by foreigners will never command support from its own people. No sensible person, moreover, will long believe that fewer troops can win a victory that more troops could not. American support of "Vietnamization" will not keep a puppet government in Saigon propped up for very long, and as its hold on power weakens, that ruling group will be driven to harsher repression. Speaking last week of three "neutralist" legislators, President Thieu, according to *Reuters*, said that if they were not impeached, "the people and the armed forces will cut off these deputies' heads. Our duty is to beat such dogs to death."

"Those who protest and march" are asking basic, unanswered questions: why are we fighting; how did we get so deeply into it; why don't we clear out; what and how much difference would it make to the Vietnamese—or the US—were the Vietcong to take power in the South, what makes Hanoi the "enemy"? The official response to such questions by this Administration and the preceding one, has been a flood of what Mr. Fulbright calls "prideful nonsense about 'defeat' and 'humiliation.'"

A restoration of confidence in government, in authority, is incompatible with such cant and deception. Confidence would begin to revive, however, the day the President or a majority of members of the Congress admitted this country has taken a wrong turning. "Liquidation of a mistake is neither a defeat nor a humiliation," Fulbright reminds us; "it is a rational and mature way of accommodating to reality, and the ability to do it is something to be proud of. . . . When [a war's] political purposes are recognized as unworthy, as they have been in Vietnam, it is rank immorality to press on for a costly, destructive and probably unattainable victory."

The point is not that confession is good for our souls, but that the integrity, and indeed the cohesiveness, of the United States demands it. For two decades, we have had drilled into our heads that anything done in the name of anti-Communism is right and necessary. That lie must be laid. In doing so, we take the first step toward "tearing away the debris of Cold War dogmas and resolutions that stultify our policies," called for last week by Senator Charles Mathias. The truth must be spoken, aloud, not only for the sake of reconciliation at home, or of peace in Vietnam, but because its utterance would lift the hearts of America's most valued friends everywhere. Only then might that discredited claim—American world leadership—again carry conviction.

WMAL ENDORSES S. 2936, BILL TO PROVIDE COMPENSATION TO INNOCENT VICTIMS OF CRIME

Mr. YARBOROUGH. Mr. President, I recently introduced S. 2936, a bill to provide compensation for the victims of

crime in the District of Columbia. Briefly, my bill would create a commission which would be empowered to hear requests for compensation from victims of crime.

Crime is one of the unfortunate facts of life in the Nation's Capital and I think that we in Congress should demonstrate our concern about this matter by considering the plight of the victims of crime.

Recently, radio station WMAL endorsed my bill and I am flattered by their support. I ask unanimous consent that the text of the WMAL endorsement of S. 2936, which was broadcast during the week of September 28, 1969, be printed in the RECORD.

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

COMPENSATE CRIME VICTIMS

We urge passage of Senator Ralph Yarborough's bill to compensate victims of serious crime in Washington. The Yarborough measure would establish a procedure by which crime victims might be compensated up to \$25,000 for pain and injury.

Senator Yarborough has explained the reason for his bill very neatly and we need say no more. Says the Texas Democrat: "Society's responsibility to the victims of crimes of violence is directly related to society's dereliction in fulfilling its responsibilities for preserving law and order within society. . . . When society fails in its assumed duty to protect its citizens, society ought to have the responsibility of compensating the innocent victims for his personal pain and injury."

BRITISH PARLIAMENT ABOLISHES CAPITAL PUNISHMENT

Mr. HART. Mr. President, last week the Parliament of Great Britain voted to abolish capital punishment for all crimes except a few occurring in time of war. Now the only Western European nation to retain capital punishment is France.

Hearings were held last year on proposed legislation, introduced by a number of other Senators and me, which would abolish the death penalty for all Federal crimes. No action was taken on the proposal, and again this year the measure was reintroduced as S. 2301. Hopefully it will be reported early in the next session, thereby allowing the full Senate to determine if this Nation will follow in the same direction as other civilized nations.

Mr. President, the New York Times of Sunday, December 21, contains an interesting article summarizing the international situation as to capital punishment. I ask unanimous consent that the article and an editorial from the New York Times of December 20 be printed in the RECORD.

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

[From the New York Times, Dec. 21, 1969]

CAPITAL PUNISHMENT RESTRICTED OR ABOLISHED BY MANY NATIONS

LONDON, December 20.—Now that Britain has done away with capital punishment for murder, all Western European countries except France have abolished the death penalty, and there is a trend toward its abolition in the United States and the Soviet Union.

Eleven of the 50 states in the United States have outlawed capital punishment and in three others it is sanctioned only for such special cases as the murder of a prison guard or a prison official.

The 11 states are Alaska, Hawaii, Iowa, Maine, Michigan, North Dakota, Minnesota, Oregon, Rhode Island, West Virginia and Wisconsin. The three with special qualifications are New Mexico, New York and Vermont.

There have been no executions in the United States since 1967, and more than 500 prisoners are awaiting a ruling by the Supreme Court on capital punishment.

In the Soviet Union, the death penalty was abolished in 1947 but was brought back three years later for traitors, spies and "wrecker diversionsists."

PENALTY ABOLISHED IN BRITAIN

Presently the criminal code for the Russian Federation—similar to that for the other Soviet republics—exact capital punishment for 10 types of crime including counterfeiting, large-scale theft of state property, rape and some classes of murder. However, the code does not apply to pregnant women or persons under 18 years of age.

Britain abolished hanging in 1965 for a five-year period. The Labor Government arguing this year for its permanent abolition, stated that the homicide rate had remained remarkably stable since 1965.

After an acrimonious two-day debate, the House of Commons agreed this week by an impressive majority of 158 to abolish the death penalty without waiting for the five-year no-hanging experiment to end. Thursday night the House of Lords agreed without a vote to continue indefinitely the existing ban on hanging. The ban was not scheduled to expire until July.

Although the death penalty for murder has been abolished, there are still crimes that under British law can be punished by execution. These include wartime treason, piracy and arson in the royal dockyards and arsenals.

There have been no executions for offenses other than murder in peacetime for more than a century.

West Germany and Italy both abolished capital punishment for civilians at the end of World War II. Japan has retained the death penalty, and a recent Japanese survey showed 56 percent of the public favored capital punishment, and 36 percent sought its abolition.

Portugal was one of the first countries to abolish capital punishment. King Don Luiz abolished it in 1867.

France has not abandoned the guillotine, although a recent poll showed that 58 percent of the population opposed capital punishment. This fall, President Pompidou reprimed the only two persons under a death sentence.

The death penalty still exists in Spain but is rarely carried out. In most cases, the death sentence is commuted to 30 years' imprisonment, the nation's maximum prison sentence. Switzerland and the Scandinavian countries have outlawed the death penalty except for serious crimes committed in wartime. Life imprisonment is the most severe Swiss penalty for a peacetime criminal.

FURTHER RESTRICTIONS URGED

Finland banned the death penalty for peacetime offenses 133 years ago, but in wartime, treason and desertion call for execution. A Government bill before the Finnish Parliament would limit capital punishment to mutiny.

Austria abolished capital punishment in 1950, a few months after the last hanging there, and there are no plans to reintroduce it.

Belgian law still provides for the death

penalty, but it has not been carried out in peacetime since the Government ended hangings 90 years ago.

Poland is introducing a new penal code that will reduce the number of cases calling for the death penalty. Bulgaria recently abandoned capital punishment except for certain serious crimes against the republic and mankind. Other Soviet-bloc countries have taken similar measures.

EXECUTIONS DECLINE IN INDIA

India has retained the death penalty despite calls for its abolition. The number of executions has dropped below 200 a year, according to officials, even though there were 13,398 murders in 1967.

Capital punishment still exists in Malaysia for murder, treason and kidnapping for ransom. Most death sentences are commuted to life imprisonment.

The Philippines congress is expected to debate a bill to abolish the death penalty in the present session.

[From the New York Times, Dec. 20, 1969]

BRITAIN ENDS THE DEATH PENALTY

With approval by the House of Lords of a Government resolution to terminate the death penalty, Parliament has taken a historic act aligning Great Britain with the overwhelming majority of civilized nations. More than seventy countries have now put an end to the barbarous practice under which the state itself becomes a killer.

Only France and the United States, among Western nations at least, still retain capital punishment. In both there is strong sentiment against it. In France, for example, Premier Pompidou, a convinced abolitionist, is pledged to eliminate the guillotine.

In this country the National Council of Churches has called for abolition of the death penalty on the ground that it contributes to the "brutalization of society." Former Attorney General Ramsey Clark urged its abolition for Federal crimes last year, but Congress failed to act. Fourteen of the fifty states, the latest of them New Mexico, have outlawed the practice.

Nevertheless there are nearly 500 prisoners under sentence of death in various prisons in this country, although there has not been an execution since one in Colorado in 1967. The reason for this is that the murder conviction of William Lee Maxwell in Arkansas is under attack on constitutional grounds that would apply to many other convictions as well. The United States Supreme Court has not yet handed down its decision in this case.

Most sociologists and criminologists who have studied the matter have come to the conclusion that statistics do not support the contention that the death penalty is a deterrent to murder. Massachusetts had the death penalty and Rhode Island, for all practical purposes, did not, between 1940 and 1955. In seven of those years Massachusetts had the lower homicide rate, and in nine Rhode Island did. In New York State, which in 1965 abolished capital punishment except for murder of a policeman or a prison guard, a determined attempt to restore it is likely at the coming session of the Legislature. It should be firmly repudiated.

ABA SECTION ON INDIVIDUAL RIGHTS AND RESPONSIBILITIES DISCOUNTS OBJECTIONS TO GENOCIDE CONVENTION

Mr. PROXMIRE, Mr. President, in a thoughtful and exact analysis of the 1948 Genocide Convention, adopted by the General Assembly of the United Nations, the American Bar Association's section on individual rights and responsibilities

declared the general objections to the Genocide Convention made in 1949-50 are wholly obsolete today.

In light of this analysis, I again urge the Senate to consider and move toward the ratification of this most important convention now.

I ask unanimous consent that the analysis by the ABA section on individual rights and responsibilities be printed in the RECORD.

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

IV. THE GENOCIDE CONVENTION IS IN ALL RESPECTS CONSISTENT WITH THE CONSTITUTION, THE LAWS, AND THE IDEALS OF THE UNITED STATES

A. THE GENERAL OBJECTIONS TO THE GENOCIDE CONVENTION MADE IN 1949-50 ARE WHOLLY OBSOLETE TODAY

The opposition to the Genocide treaty at the Senate hearings twenty years ago centered around three main points.¹ First, a general opposition to the "new concept" of government action by treaties. During the next two decades, the United States has entered into some 4,000 international agreements, without any noticeable diminution of its sovereign independence, nor any noticeable debasement of its standards to an international average. That treaties are the modern means of developing international law, just as statutes are the modern means of developing state and federal law, has been noted earlier, and hardly requires demonstration. If some felt nervous or cautious in 1949 about stepping on the new ground of multilateral treaties, including treaties affecting individuals, that fear is no longer justified. On the contrary, the only concern a United States citizen should have is that his country not be left out as the documents and issues of new international law are drafted, debated, interpreted and applied.²

Second, the opposition expressed the fear that by treaties in general, and by the Genocide Convention in particular, Article 2(7) of the United Nations Charter, dealing with matters "essentially within the domestic jurisdiction of states, was being undercut. In the words of the ABA Special Committee,³ "Shall we be governed in internal affairs by treaty or by laws passed by Congress with a constitutional basis?" Again the answer has already been given. Article 2(7) is in no way undercut by the Genocide Convention. Domestic matters are as out of bounds for the United Nations as ever. The only effect of the Genocide Convention is to say that the issues specified in Articles II and III cover not merely one country, but all countries. If the United States wants (1) to take a complete hands-off attitude if genocide should occur somewhere in the world; or (2) to foster, shield, or protect the commission of genocide within the nation's borders, then it should certainly not join the Convention. If neither of these attitudes is real, then the argument has no appeal whatever.

Third, the opposition, focusing on certain enigmatic language of Justice Holmes in *Missouri v. Holland*,⁴ considered that the Genocide Convention might be the opening

¹ See *Senate Hearings* (1950) 154-230.

² This point, in the context of the growth of international law in the post-war period, is developed by Bernard G. Segal, President of the ABA, in a recent address to the World Peace Through Law Conference, Bangkok, Thailand, September 1969.

³ 74 A.B.A. Rep. 320 (1949), *Senate Hearings* (1950) 160.

⁴ 252 U.S. 416, 433-434 (1920).

wedge in a drive to exceed the legislative powers of the Congress vis-a-vis the states through the use of the treaty power. Whatever theoretical merit there might have been with respect to this point, discussed for nearly ten years in the context of the proposed Bricker Amendment,⁵ it has no relevance to the Genocide Convention. No one could have any doubt about the right of the Congress to prohibit genocide. Quite apart from the treaty power, the Constitution expressly grants to the Congress the power "to define and punish Piracies and Felonies committed on the high seas and Offences against the Law of Nations."⁶ And if anyone suspected that the Genocide Convention might be used to justify federal legislation in the field of civil rights, the events since 1949 have shown that the United States Constitution as currently understood is quite adequate to sustain any civil rights legislation likely to be proposed and passed, and certainly far more ample to coverage than any authority possibly derived from the Genocide Convention.

THE TAX REFORM BILL

Mr. CHURCH, Mr. President, on Sunday, December 21, the Washington Star printed a page-long summary of the tax reform bill as approved by the conference committee. The summary not only covers the provisions of the tax reform bill, but contrasts those provisions with existing law.

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:

SUMMARY OF TAX REFORM BILL AWAITING FINAL ACTION

(NOTE.—The following is a summary of how the tax reform bill will work if it is passed by the House and Senate tomorrow or Tuesday, as expected, and President Nixon signs it into law.)

TAX RELIEF

Personal exemptions

A personal exemption of \$600 for the taxpayer and each dependent now is subtracted from gross income in computing taxable income. The bill will raise the exemption to \$650 July 1, 1970, to \$700 Jan. 1, 1972, and to \$750 Jan. 1, 1973.

Tax withholding rates in the first half of 1970 will be based on the present \$600 exemption. Withholding rates will reflect the new \$650 exemption starting July 1, increasing take-home pay. On 1970 tax returns filed in the spring of 1971, taxpayers will claim \$625 exemptions—the average for the year.

When the exemption rises to \$750 in 1973, taxable income of a family of four will be reduced by \$600. In the 20 percent tax bracket, for example, this will cut taxes by \$120.

Standard deduction

Expenses for interest, charitable contributions and other specified items are deducted from income by some taxpayers. Instead of itemizing actual deductions, other taxpayers take the standard deduction, which now is 10 percent of gross income or \$1,000, whichever is less.

The bill will raise the standard deduction

⁵ There were several versions of the Amendment. For the principal one, see S.J. Res. 1 as amended and reported favorably by the Senate Judiciary Comm. S. Rep. No. 412, 83d Cong., 1st Sess. (1953).

⁶ U.S. Constitution Art. I, sec. 8, cl. 10.

to 13 percent or \$1,500 in 1971, to 14 percent or \$2,000 in 1972 and to 15 percent or \$2,000 in 1973.

At \$2,000 the new standard deduction will save a taxpayer in the 20-percent tax bracket \$200, for example.

Low-income allowance

This is a minimum standard deduction of \$1,100 in 1970, \$1,050 in 1971 and \$1,000 starting in 1972. Persons in lower income brackets will deduct the low-income allowance in addition to personal exemptions and in lieu of other deductions.

The regular standard deduction of 15 percent will allow a person with \$3,000 of gross income, for example, to deduct only \$450. The low-income allowance will permit a deduction of \$1,000 regardless of income.

It is designed to remove practically all persons at the poverty level from the tax rolls and reduce taxes for the near-poor. For a single person, the low-income allowance and the \$750 personal exemption will make \$1,750 of income tax-free. For a family of four, \$3,000 of income will be tax-free.

In 1970 and 1971 the amount of the low-income allowance will be reduced and finally eliminated at successively higher income levels. This phase-out formula will be dropped in 1972, making the full \$1,000 allowance available to anyone. However, the regular 15 percent standard deduction will be more beneficial to those with incomes over \$6,670.

Single persons

The income of married couples filing joint returns is split and each half is taxed at lower rates than would apply if the total were earned by a single person. In some brackets the tax on a single person is as much as 40 percent larger than the tax on a couple with the same taxable income.

The bill will introduce a new and lower rate schedule for spinsters, bachelors, divorced persons, widows and widowers without dependents in their households. The new rates, effective in 1971, will assure that the tax on an unmarried person will be no more than 20 percent higher than the tax on a couple with the same taxable income. The new rates will apply regardless of age.

Unmarried persons maintaining households with dependents now are taxed at "head-of-household" rates, which are about midway between current single and joint rates. The bill will reduce these rates so they still will be midway between joint rates and the new lower rates for single persons without dependents.

Widows and widowers with dependent children will continue to be taxed at joint return rates for two years after the spouse's death, after which head-of-household rates apply.

Earned income

The maximum tax rate, not counting the surtax, is 70 percent on income over \$100,000 for single persons and \$200,000 for married couples.

The bill will reduce the maximum marginal rate (the rate on the top dollar of income) for earned income to 60 percent in 1971 and 50 percent in 1972. Earned income is income from personal services—wages, salaries, fees and commissions—as distinct from dividends, interest and other income from investments.

However, the amount of income eligible for the new maximum rate will be reduced by the amount of income received, in excess of \$30,000, from specified sources benefiting from special tax treatment.

For example, if an executive receives \$100,000 of salary and \$60,000 of income from accelerated depreciation and other "tax-preference" sources, only \$70,000 of his salary will qualify for the new maximum tax rate.

The rate ceiling will benefit married couples with taxable incomes over \$52,000 and single persons over \$26,000—the levels at which regular tax rates exceed 50 percent.

The theory is that the rate ceiling will reduce the incentive for high-paid executives, doctors and others to seek tax loopholes. Few persons actually pay the 70 percent rate because they find ways to convert ordinary income into capital gains or shelter it from taxation through other devices.

SOCIAL SECURITY

The bill will raise Social Security benefits by approximately 15 percent across the board for retired persons, surviving spouses and children, and disabled persons.

The increases will take effect Jan. 1 but will not be paid until April, when retroactive payments for January, February and March will be mailed.

Social Security payroll taxes will not be raised to pay for the benefit increase.

The 15 percent increase will raise minimum monthly benefits from \$55 to \$64 for single persons and from \$82.50 to \$96 for couples. Average benefits will increase from about \$100 to \$116 for single persons, from \$170 to \$196 for couples, from \$88 to \$100 for widows without children, from \$250 to \$296 for widows with two children and from \$113 to \$130 for disabled persons.

About 25 million persons will benefit.

The bill includes a provision designed to prevent states from fully offsetting the Social Security increase by cutting welfare payments to the same persons.

TAX EXTENSIONS

Surtax

The 10 percent income surtax on individuals and corporations is scheduled to expire Dec. 31. The bill will extend the surtax at a reduced rate of 5 percent through June 30.

Withholding rates will reflect the reduction starting in January and the final expiration starting in July. On 1970 tax returns filed in the spring of 1971, the surtax will add 2.5 percent to the regular tax on income received through 1970.

Excises

The 7 percent excise tax on autos and the 10 percent excise on telephone service are scheduled to decline to 5 percent Jan. 1, to 3 percent in 1971, to 1 percent in 1972 and to zero in 1973. The bill will keep the current rates of 7 and 10 percent in effect through 1970 and postpone the later scheduled reductions by one year.

TAX REFORMS

Investment credit

The investment tax credit subsidizes business spending for machinery and equipment at a cost to the Treasury of more than \$3 billion a year. If a company buys a machine for \$10,000, for example, it subtracts 7 percent of the cost, or \$700, from federal taxes otherwise due.

The bill will repeal the tax credit generally retroactive to April 18. That is, the credit will be available only for machinery and equipment acquired by that date, or on which construction is started by that date. Also eligible to receive the credit will be machinery and equipment placed in service before 1976, if acquired under binding contract commitments entered into by April 18.

There are numerous transition provisions and several exceptions to the general rule under binding contracts. But Senate provisions for broad exemptions from repeal were eliminated.

Capital gains

When a person buys stocks or other capital assets for \$10,000 for example, and sells them after more than six months for \$12,000, only

\$1,000 of the \$2,000 gain is taxed as income. In effect, the \$2,000 capital gain is taxed at half the rate of ordinary income.

Furthermore, the tax on the full gain cannot exceed 25 percent. If a person is in the 70 percent tax bracket, for example, the capital gain is taxed at 25 percent rather than 35 percent. All but small corporations pay a flat 25 percent tax on capital gains instead of the regular corporation tax of 48 percent.

The bill will continue the 25 percent maximum rate for individuals only for the first \$50,000 of capital gains in a year. Beyond that amount, capital gains will be taxed at half the ordinary rate—that is, up to 35 percent—after a three-year transition period starting in 1970.

Th capital gains rate for corporations will rise from 25 to 30 percent, with a three-year transition.

If a person sells capital assets at a loss, he can deduct the full amount of the loss, up to \$1,000 a year, from ordinary income. To make treatment of losses consistent with gains, the bill will permit deduction if only half the losses from ordinary income. Therefore, it will take \$2,000 of capital losses to offset the maximum \$1,000 of ordinary income in a year.

Public officials and others who sell collections of their letters and similar material are taxed at capital gain rates instead of higher rates on ordinary income. The bill will levy ordinary income taxes in such cases.

When collections of letters are donated to a library or similar philanthropy, the fair market value can be claimed as a charitable deduction. The bill will deny the deduction when the letters were written by the donor or prepared for him.

Pensions received in installments are taxed as ordinary income, to the extent the payments exceed the employee's contributions. However, if the pension is paid in a lump sum, the portion contributed by the employer is taxed at lower capital gains rates.

On the theory that the lump-sum pension is deferred compensation, the bill will tax the portion contributed by the employer as ordinary income, effective with contributions after 1969. The amount can be averaged over seven years to put the income into a lower tax bracket, however.

Real estate

When property bought for a trade or business is to be useful over a period of years, the cost cannot be deducted from taxable earnings immediately, but rather the deductions must be spread over a period related to the useful life.

The simplest form of depreciation is straight-line. If a \$10,000 machine has a useful life of 10 years, \$1,000 a year is deducted.

Real estate investors use accelerated depreciation to deduct most of the cost of property in the early years. A new building can be depreciated under the double-declining balance method. On a \$10,000 building with a 10-year life, \$2,000 is deducted the first year, \$1,600 the second, \$1,280 the third, \$1,020 the fourth, \$820 the fifth and so on. Used buildings can be depreciated at a rate half-way between straight-line and double-declining balance.

Large depreciation deductions in the early years often wipe out taxable income, even if the property really is profitable, and may produce losses to offset the investor's taxable income from other sources.

When the property is sold within 10 years, some of the excess depreciation is "recaptured" by taxation of a portion of the gain as ordinary income. If the property is sold after 10 years, the full gain is taxed at capital gains rates.

The bill will allow the fastest depreciation method—the double-declining balance formula—only for new housing. New commercial and industrial real estate will be limited to the 150 percent declining balance formula, which is half-way between straight-line and double-declining balance.

DEPRECIATION ALLOWANCE

Purchasers of used housing with a remaining useful life of at least 20 years, will be permitted to use a 125 percent declining balance formula; all other used housing and all used commercial and industrial real estate will be limited to straight-line depreciation.

When the housing is sold within 16½ years, all or part of the accelerated depreciation will be recaptured through taxation of some of the gain as ordinary income. After 16½ years, the full gain will be taxed at capital gains rates. For commercial and industrial real estate, accelerated depreciation will be recaptured in full through taxation of an appropriate portion of the gain as ordinary income when the property is sold.

Minerals

Oil and gas operators can deduct 27½ percent of a well's gross income from net income subject to taxation, if the deduction does not exceed 50 percent of net income. This is the depletion allowance. Unlike depreciation in other industries, depletion is not related to costs; the investment in a well can be recovered many times over through depletion deductions.

The bill will reduce the depletion allowance to 22 percent of gross income for oil and gas.

Depletion allowances for sulphur, uranium and other minerals now at 23 percent will be reduced to 22 percent and molybdenum will be raised from 15 to 22 percent. Except for gold, silver, oil shale, copper and iron ore, all minerals now receiving 15 percent depletion allowance will be cut to 14 percent.

All other depletion allowances will remain unchanged.

Minerals, other than salt, extracted from Great Salt Lake, Utah, will become eligible for depletion for the first time.

DEPLETION ALLOWANCE CUT

Financing arrangements called production payments are widely used in the oil and gas industry to raise funds. Although sale of a production payment by an oil operator performs the function of obtaining a loan, proceeds of the sales are treated as income rather than loans.

This device increases net income and thus increases the portion of the depletion allowance that can be claimed within the formula limiting depletion to 50 percent of net income.

The bill will require treatment of production payments as loans, not sales, thus reducing depletion allowances in many cases even below the new 22 percent rate.

Charitable contributions

Deductions for charitable contributions generally are limited to 30 percent of gross income. The bill will raise this limit to 50 percent, although some types of contributions will be limited to 30 percent.

Despite the general limit, individuals in certain circumstances can deduct the full amount of their income for contributions. This is permitted if in eight of the preceding 10 years the total of contributions and federal income tax payments exceeded 90 percent of taxable income.

The practice of some wealthy persons is to contribute to charity stocks or other assets equal in current value to taxable income from other sources. The property may have been purchased at much lower prices years before.

Although the deduction is for the full current value of the contributed property,

the gain in value since the original purchase is not taxed.

In this way, a wealthy person can contribute property equal in current value to his taxable income from other sources, and so keep all of that income tax-free.

REPEAL BY STAGES

The bill will repeal the unlimited charitable deduction by stages, so that by 1975 all charitable deductions will be limited to 50 percent of gross income.

For donations to private foundations, the bill will allow a deduction only for the original cost of the contributed property, or alternatively require the donor to pay taxes on the gain in value. For gifts of stock to colleges, art to museums and other donations, the present rules will continue—allowing deductions for the current market value without taxation of the gain.

An exception will tax the gain in value of property that would have been taxed as ordinary income instead of capital gains if sold. This applies, for example, to donations of business inventories and works of art contributed by their creators.

Other provisions will tighten the rules for charitable contribution deductions by trusts.

Interest deductions

Interest payments on loans can be deducted without limit. Some persons borrow heavily to buy stocks or other property that produces little current income but may gain in value.

These interest payments exceed income from the investment and the deductions offset ordinary income from other sources. When the investment is sold, the gain is taxed at low capital gains rates.

The bill will limit deductions by individuals for interest on money borrowed to finance investments. The limit will be the amount of net income from dividends, interest and other investment sources, plus the amount of capital gains, plus \$25,000.

FARMING LOSSES

Liberal accounting rules for farmers permit some wealthy persons to register tax losses from farming operations and use the losses to offset taxable ordinary income from other sources. In addition, they are taxed at low capital gains rates when they sell the farm assets.

The bill will in certain circumstances require maintenance of an account of farm losses used to offset income from other sources. Losses will be recorded in this "excess deductions account" only if the taxpayer has more than \$50,000 of non-farm income, and only to the extent the farm losses exceed \$25,000.

When the farm assets are sold, a portion of the gain equal to the amount in the excess deductions account will be taxed as ordinary income rather than at low capital gains rates.

Another provision will deny deductions for farm and other losses if the activity is not carried on for profit. This "hobby loss" provision will create a presumption that the activity is carried on for profit if there have been profits in two of the preceding five years. But for horse breeders and racers, the standard is two out of seven years.

MINIMUM TAX

Existing law permits many wealthy individuals and profitable corporations to reduce taxes sharply or avoid taxation entirely by using deductions to offset income and by converting ordinary income into capital gains. Despite the theory that tax rates are progressive—rising as income increases—some wealthy persons pay lower tax rates than ordinary wage earners.

Although the bill will restrict or close many loopholes, many tax benefits will remain available. To backstop the specific loop-

hole-closing provisions, the bill will levy a new minimum tax on income that otherwise would be sheltered from taxation by special "preferences" in the law.

Individuals and corporations will add up the amount of income sheltered from taxes by specific preferences. The amount of regular federal income taxes paid will be subtracted from the amount of preference in excess of \$30,000. A 10 percent minimum tax will be levied on any balance.

If an individual receives \$130,000 of preference income and pay \$40,000 of regular taxes, for example, he will pay an additional minimum tax of 10 percent on \$60,000, or \$6,000.

The preferences subject to the minimum tax will include real estate depreciation in excess of straight-line, amortization deductions in excess of straight-line depreciation for expenses of rehabilitating slum housing, installing pollution control equipment and purchasing railroad cars, tax benefits from stock options, depletion allowance deductions in excess of the property's cost, the one-half of capital gains excluded from taxable income and investment interest deductions in excess of net investment income.

Foundations

The bill will levy an excise tax equal to 4 percent of investment income on private foundations that otherwise are tax-exempt. The tax will pay for closer regulation of foundations.

"Self-dealing" financial transactions between foundations and their donors will be prohibited and punitive taxes will be levied on violators.

Some foundations disburse little income, hoarding their assets instead. The bill will require them to disburse all their income from assets (as distinct from contributions received) to philanthropies within one year. If the income is less than 6 percent of assets, they will be required to dip into capital to disburse 6 percent anyway.

Some foundations are used to maintain control of a business by the donor and his family. The bill will limit the combined ownership of any corporation by any foundation and its donors.

OWNERSHIP LIMITED

For foundations established in the future, the combined ownership will be limited generally to 20 percent of any corporation's stock, although 35 percent will be allowed in some cases.

For foundations already in existence, any combined stock holdings in excess of 50 percent must be disposed of within a period of 10 to 20 years. In some circumstances, a further reduction of holdings to 20 or 35 percent will be required over an additional period of years. In other circumstances, no further divestiture of stock below 50 percent will be required.

The bill also will restrict foundation activities in such areas as lobbying, politics and voter registration drives.

Other tax-exempt organizations

Existing law takes the income of some otherwise tax-exempt organizations from business activities not related to their basic functions. This applies to charities, colleges, religious organizations other than churches, chambers of commerce, labor unions and several others.

But some churches and other exempt organizations engage in business without paying taxes. The bill will extend the unrelated business tax, with some exceptions, to cover churches, social welfare organizations, social clubs, fraternal beneficiary societies, credit unions, mutual insurance companies and others.

Social clubs and employees' beneficiary associations now are exempt from taxation of

income from investments, as distinct from business income. The bill will revoke this exemption.

The bill also will tax income of tax-exempt organizations from advertising in their publications. This applies, for example, to the Journal of the American Medical Association, the National Geographic and Boy's Life.

Moving expenses

Employees who move to new job locations now can deduct some direct moving expenses. The bill will extend allowable deductions to cover expenses of house-hunting trips before the move, temporary living expenses at the new location and incidental expenses of selling the new house and buying a new house, such as real estate commissions.

These additional deductions will be limited to 2,500.

Moving expense deductions also will be extended to self-employed persons.

Banks

Commercial banks now can deduct 2.4 percent of the amount of their outstanding uninsured loans for reserves against bad-debt losses. This greatly exceeds actual losses.

The bill will reduce the allowable bad-debt reserve deduction to 1.8 percent for the next six years, then lower it gradually to actual debt losses. This standard will be reached in 1987.

THE CREDIT CARD AVALANCHE

Mr. PROXMIRE, Mr. President, recently my Subcommittee on Financial Institutions held 3 days of hearings on the problem of unsolicited credit cards. According to the testimony taken by the subcommittee, credit card losses are approaching the staggering sum of \$100 million a year. Testimony of Royal Jackson, the chief of the bankruptcy division of the U.S. courts, shows that unsolicited credit cards contribute to the alarming high level of consumer bankruptcies. Referees in bankruptcy around the country firmly believe unsolicited credit cards cause consumers to become overextended with credit.

Mr. President, on Monday, December 22, 1969, the Wall Street Journal published an interesting and informative article on the growth of credit cards. 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:

CHARGE IT! BANK CREDIT CARDS WIN WIDE USAGE, BRINGING BOTH BENEFITS, PROBLEMS—USERS LIKE NO-FEE FEATURE; THEFTS AND BANKRUPTCIES RESULT FROM MASS MAILINGS—IS AMERICAN EXPRESS WORRIED?

(By Carol H. Falk)

NEW YORK.—The Majestic Ballroom is a so-called dime-a-dance emporium near Times Square that actually charges \$7.50 for a half an hour of tripping the light fantastic with the resident lovelies. But customers needn't worry if they don't have \$7.50 in cash—they can use their Master Charge credit cards.

About 25 or 30 customers have danced on credit since the Majestic signed up with Master Charge a few weeks ago, says manager Nick Milano. It's helping business, he says, and he's thinking of signing up with BankAmericard and American Express.

Everybody, it seems, has at least one credit card these days, and more often than not it's a Master Charge or a BankAmericard card rather than the older American Express, Diners or Carte Blanche cards. In the past year

or so, the two major bank credit cards have gone nationwide. Some 7,200 banks have affiliated with one or the other, and some 43 million Americans now have a Master Charge card, a BankAmericard or both. The number of bank card holders is rising two to three million a month, the card companies claim.

THEFTS AND BANKRUPTCIES

This trend delights many of these millions, but critics say it is creating some problems, too. The mass, unsolicited mailings of bank cards have caused a rash of thefts of the cards from the postal system, and the fraud losses are estimated at well over \$100 million a year. What's more, say critics, the unsolicited mailings have resulted in a large number of bankruptcies by people who couldn't resist going overboard with credit purchases.

Nor is an unsolicited card always received with joy. A California lawyer who received a BankAmericard sent it back with a blistering letter that said in part: "In a word, this and similar plans to make money by encouraging extravagance strike me as being beneath the dignity of an institution with responsibility to depositors. To compound the error by a direct-mail selling campaign such as would perhaps be appropriate to sell cap pistols, patent medicines and questionable merchandise strikes me as a new low in banking practice."

But most people who receive the cards keep them, and some sources claim the two bank cards are causing problems for the so-called prestige cards. Executives at American Express, Diners Club and Carte Blanche flatly deny this, however. In fact, they would have you believe that the new competition is the best thing that ever happened to them.

"When everyone can get a bank card, it becomes a status symbol to qualify for our card," claims Anthony Kopp, president of the credit card division of Diners Club Inc. "Our marketing studies find that as a bank card goes into a Midwest or Southwest area where we haven't been strong, our applications in the area triple or quadruple overnight."

There's no reason to doubt him, of course, but it's easy to find card holders and merchants who say that if they had their choice—and they do—they'd take a bank card over a "prestige" card. It's simple economics. Bank cards are free, but the six million holders of "prestige" cards have to pay \$15 a year. And merchants generally have to turn over a higher percentage of their sale when a nonbank card is used.

"A MATTER OF DOLLARS AND CENTS"

"It's a matter of dollars and cents," says a man at Lawry's Associated Restaurants in Los Angeles. Lawry's stopped accepting Carte Blanche and American Express cards last Sept. 15, figuring BankAmericard, Diners Club and Lawry's own card were sufficient. "We figure we'll save \$50,000 to \$60,000 a year on this move by 1972," he says.

The amount that has to be paid by the merchant to the credit card company varies, often depending on what kind of a deal the shopkeeper can negotiate, but the average is probably around 3% for a bank card and 4% for the traditional cards, according to a study by Lionel D. Edie & Co., a consulting company. One industry source says the fees for bank cards range from zero at particularly prestigious spots where the bank wants its name displayed all the way up to 5%. American Express says its fees range from 2½% (for an air line that does a large volume) to 7% (for a small specialty shop).

One big restaurant that recently dropped American Express says the company was charging it two percentage points more than Carte Blanche charged and 3½ points more than BankAmericard charged.

American Express officials says the company will drop its maximum charge to 6% next year, but a spokesman is quick to claim

that the drop reflects efficiencies of operation and not competition. Perhaps so, but there are indications that American Express, Diners and Carte Blanche are running a bit scared.

THE HAPLESS GIRL CIRCULATES

All three card companies have significantly stepped up their merchandising efforts within the past year because of increased competition, according to Stephen R. Friedman, president of Plaza Group Inc., a company that provides mass-merchandising services. For example, the sponsors have been offering card holders low rates for a range of merchandise, such as stereo and film equipment.

One big Los Angeles restaurant says it was ardently wooed to continue its affiliation with American Express after it quit accepting the card. (It didn't sign up again, however.) And American Express gave wide circulation to an article from the May 1969 issue of *Cosmopolitan*, which bemoaned the fate of the hapless single girl spending herself into insolvency with unsolicited, interest-charging credit cards. (The bank cards allow a holder to pay just a portion of the bill and carry the rest over, at 18% annual interest, which is the chief way the banks profit from their free cards. The older cards demand prompt, full payment every month.)

"We're not sitting here fat and happy," concedes an official of American Express. But, he asserts, his company really won't have to worry "until a bank card is as good in Kenya as it is in San Francisco."

That day may not be too far off. Both major banks cards already are accepted in a few places in Europe, and BankAmericard is as good as yen in much of Japan. Marketing officials at both BankAmericard and Master Charge claim their cards will be accepted throughout the world before too long.

Precise figures on anything in the credit card business are hard to come by. Master Charge says its card is accepted in 605,000 outlets, but a man at American Express says he refuses to be drawn into "the numbers game." How do you count Mobil Oil? he asks. As one outlet or as thousands?

Figures on purchases with the various cards aren't quite as elusive. Officials of the companies sponsoring the three "prestige" cards estimate that \$2.7 billion of goods will be purchased with their cards this year, with American Express accounting for about \$1.8 billion of the total. The two bank cards probably will account for close to \$3.7 billion of sales, officials estimate.

SOME PRECISE FIGURES

A more precise figure is the number of mail fraud cases that have resulted from the mailings of credit cards. In the year ended June 30, 1964, the Post Office reported investigating only 15 cases of credit card frauds. By fiscal 1968, the figure was 360, and in the most recent year there were 762. The number is up sharply again this year.

Eugene Gold, the district attorney in Brooklyn, says recent studies indicate that losses from these stolen cards are "well in excess of \$100 million a year," up from \$20 million in 1966. These losses generally are borne by banks or insurance companies, but they cost consumers a lot in time and aggravation. The person whose name is on the card is often required to show that he never received the card, which is sometimes difficult. An Administration official recently told the Senate that the black market price of a stolen credit card ranges up to \$100.

Thefts are one reason that state and Federal legislators have been asked to enact laws barring unsolicited mailing of credit cards. A Senate subcommittee headed by William Proxmire, a Democrat from Wisconsin, is investigating the practice. In New York, state

Attorney General Louis Lefkowitz has labeled unsolicited credit cards "an insidious evil" and has promised to back a bill next year to ban such mailings in New York.

Another reason cards shouldn't be sent unsolicited is that they make it too easy for a person to spend more money than he has, critics contend. Bankruptcy often results. They say, most personal bankruptcies are due to overextended credit, "frequently due to the unwise use of credit cards," asserts Royal E. Jackson, chief of the bankruptcy division of the administrative office of the U.S. courts.

In Senate testimony, he referred to a report from a bankruptcy referee in Knoxville, Tenn., who said that 17% of the 682 consumer bankruptcy cases in a six-month period this year listed credit card debts owed to banks. The referee added that the average wage earner in his area received \$70 a week, had a 10th-grade education and "almost without exception was mailed a credit card without application."

THE TRAGEDY OF THE MISSING IN ACTION IN VIETNAM

Mr. DOLE. Mr. President, scattered across the Nation are members of a special group of women for whom that phrase "the uncertainties of war" has a very deep meaning.

These are the women who are wondering if they are widows or wives of missing soldiers in Vietnam. The hardships these women and their families face because of Hanoi's refusal to release prisoner names are indeed tragic.

Mrs. Kathleen Johnson, a Salina resident, is one of these women. She has not known whether she is a wife or a widow since June 10, 1965, when her husband, Maj. Bruce Johnson, was reported missing in action in Vietnam.

This tragedy has been expressed with poignancy in an article written by Robert Entroken and published in the Salina, Kans., Journal of December 14.

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:

IS SHE A WIFE OR A WIDOW? "I KNOW IN MY HEART THAT BRUCE IS ALIVE"

(By Robert Entroken)

Mrs. Kathleen Johnson, 138 Denver, Schilling Manor, doesn't know if she is a wife or a widow. She hasn't known since June 10, 1965.

Since that date her husband, Maj. Bruce Johnson, has been missing in action in Vietnam. He is one of about 1400 Americans so listed.

The number is an estimate. It includes those known to be prisoners of the Communists and those who simply have dropped from sight in the war zone.

But neither the Hanoi government nor the Viet Cong have seen fit to release the names of their prisoners. There is no way of knowing if fathers, husbands and sons are alive in a prison camp—or dead in a Mekong Delta swamp.

Friday, Mrs. Johnson and 25 other wives of missing men responded to an invitation to meet with President Nixon at the White House.

There was no advance publicity "because of the personal nature of this visit with you and other wives and mothers", said Nixon's telegram to Mrs. Johnson.

"I think his presence and what he had to say demonstrated his concern," Mrs. John-

son said. "He told us our men would not be abandoned no matter where they might be. He stressed this point."

Mrs. Johnson said she believed the meeting to be without precedent. As far as she knows, no other President has ever met with wives of missing servicemen.

But then, she said, America has never been in a war where the names of prisoners have been withheld for so long. Both Japan, in World War 2, and North Korea, during the "police action" there, withheld names briefly but then released them.

MISSING MANY YEARS

Sen. Robert P. Griffin, R-Mich., the Senate Minority Whip, said Wednesday on the Senate floor one serviceman has been known to be a prisoner for nearly 5½ years. Four others have been missing or held captive for 5 years. More than 200 have been missing or captured nearly 4 years.

Johnson, who now has been missing 4 years, 6 months and 4 days, is high on the list.

But are the men captured or dead? Nobody knows.

Mrs. Johnson believes her husband is a prisoner of the Viet Cong or the North Vietnamese Army (NVA).

"I know in my heart that Bruce is alive. I knew it the day the telegram arrived and I know it now," she said.

He has not been heard of or from since that day when, as an adviser to a South Vietnamese Army (ARVN) unit, he went in with a relief force to try to rescue units surrounded by the enemy.

This was during the battle of Dong Xoai, a Special Forces camp which had been overrun north of Saigon. Johnson's last contact with anyone was with the commanding officer of the U.S. Army helicopter unit which was flying-in the relief forces.

His final message was that all the other Americans with him were dead and there was nothing left to relieve.

The Johnsons have 3 children—Bruce, 10, Colleen Joy, 7, and Bryan, who will be 9 next month.

"The children have to live with this, too. They've had to almost all of their lives," Mrs. Johnson said. "It could all be relieved if only the Viet Cong and Hanoi would just give a list of names of the men they're holding prisoner."

Bruce, she said, entered kindergarten the September after his father became missing. He now is in the 5th grade.

But the last memory Johnson had of his children was in a photograph taken in September, 1964. It showed Bruce as a preschooler of 4. Bryan and Colleen were toddlers of 3 and 2.

The photograph was returned, its cardboard frame yellowed and with a couple of smudges and spots on the print, with Johnson's personal effects.

Bruce, said Mrs. Johnson, is the extrovert of the trio. He's the type who walks up boldly to greet a new friend. And Colleen is a rather typical young girl. But Bryan is the quiet one. He has to be drawn out.

"It's been particularly hard for all of them," Mrs. Johnson said, "but in a child like him I can see in his eyes the hurt it has caused."

Colleen has her moments too, Mrs. Johnson said.

"Colleen will see a father and a daughter—she doesn't know what she's doing but she'll step back a few paces and just watch."

Sometimes normal childhood activities take on a different hue. Recently Colleen's Brownie troop was making cookies to give to daddy.

"Colleen's cookies are in the refrigerator at home," Mrs. Johnson said.

One time a class was writing letters to their

fathers—a fairly basic exercise in primary school.

"How do you write a letter to your father when you know he'll never get it?" Mrs. Johnson asked.

Letters to prisoners in Vietnam disappear. They are never returned. But prisoners who have been released or escaped said the mail never get through except on extremely rare occasions—like for use in propaganda films.

And packages eventually are returned to the sender.

For the fifth Christmas, Mrs. Johnson has sent a package to her husband. The previous 4 all were returned 5 or 6 months later, marked "refused".

They are sitting in a closet at home now. "I just can't throw them away," Mrs. Johnson said.

Last September Mrs. Johnson wrote her congressman, James Harvey, R-Mich., who represents the district in the "thumb" of the lower Michigan peninsula including her home town of Harbor Beach.

Three days later Johnson's mother, Mrs. Claire Johnson, Harbor Beach, also wrote Harvey.

On Sept. 17 the House passed a resolution condemning North Vietnam and the National Liberation Front for their inhumane treatment of prisoners and disregard for the Geneva Convention.

The discussion on the resolution, all favorable, covered 58 pages of the Congressional Record, in which Harvey read the letters of Johnson's wife and mother.

In her letter, Johnson's wife asked Harvey to make "a strong and firm stand demanding that the NLF and Hanoi cease their cruel and inhumane treatment of our husbands, fathers, sons—please demand as a spokesman of your people that names of prisoners be given, that there be an exchange of mail and packages between the men and their families and that a Red Cross group or any neutral committee be allowed to examine POW camps in both North and South Vietnam, that those of our loved ones who are sick or wounded be returned in the name of humanity and basic decency—that physical and mental torture be stopped!"

North Vietnam is a signatory to the Geneva Convention. They signed it in 1957. The Republic of Vietnam signed in 1953 and the U.S. ratified it in 1955.

NOT BOUND?

Sen. Griffin, in his Dec. 10 Senate address, said the Viet Cong contends it is not bound by the Geneva Convention since the NLF never has signed it.

"But the International Red Cross says that the Viet Cong is bound," Griffin said, "since both North and South Vietnam are parties to the Geneva Convention."

Hanoi and the NLF have been oblivious to official calls for humane treatment of prisoners and inspection of POW camps by neutral parties.

But, Mrs. Johnson said, something seems to be getting to them: individual efforts.

The US Junior Chamber of Commerce has begun an individual letter-writing drive to Xuan Thuy, leader of the North Vietnamese delegation at the Paris peace talks. Others have been urging letters to Madame Nguyen Thi Binh, head of the NLF delegation, to neutral countries and anyone who may be able to influence the Communists.

"This seems to be the one thing they're really uncomfortable about," Mrs. Johnson said.

Since her husband, if captured, would have been taken by enemy units in South Vietnam, he probably still is in South Vietnam. Intelligence reports from escaped prisoners have shown that an enemy unit generally will keep a prisoner with it rather than send him to a POW camp in the north.

For this reason Mrs. Johnson is directing her efforts at letters to Mme. Binh.

Griffin also has gotten behind the project. "Perhaps one card will make no difference," he said, "but who can say what a million will do?"

Griffin said the US Jaycees have set up an address for letters to Thuy. The Jaycees will collect the letters and arrange for their delivery. The address is:

Project Xuan Thuy
Box 2600
Washington, D.C. 20013
Mrs. Johnson gave an address for letters to Mme. Binh (which take 20 cents postage for a half-ounce):

Mme. Nguyen Thi Binh
Provisional Revolutionary Government
49 Avenue Cambaceres
Verrieres-Le-Buisson
91 Essonne, France

"We're feeling a desperation for our husbands and for ourselves," Mrs. Johnson said of herself and other women whose husbands are missing or prisoner.

"Hanoi and the NLF must act. They must release the names."

JOURNEY IN SEARCH OF AMERICA

Mr. EAGLETON. Mr. President, Mr. David B. Bowes, a Washington correspondent of the St. Louis Post-Dispatch, recently finished an odyssey which in a period of 7 months carried him over 18,000 miles in the air and 8,500 miles along the highways of our Nation.

It was a journey in search of America, during which he talked with thousands of people from all walks of life.

Recently he concluded his travels and in a series of reflective articles presented his impressions of America in its 163d year.

Mr. President, I ask unanimous consent that these excellent articles be printed in the RECORD. They were published in the St. Louis Post-Dispatch on December 18, 19, and 21.

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

CROSSROADS AMERICA: ISSUES, REACTIONS UNIFORM IN U.S.

(By David B. Bowes)

WASHINGTON.—The problems tormenting America, and reactions of individuals to them, have remarkable uniformity from state to state, city to city, town to town and farm to farm.

This predominant conclusion emerges after seven months spent in search of America—flying the equivalent of six times across the continent, driving 8500 miles along highways and streets, talking with thousands of citizens in all walks of life.

One never stopped looking for significant exceptions to the national rule. There are variations, yet no real exceptions.

Travelers who make the effort can learn interesting local nuances in public opinion. History and climate and custom still shape Americans as a people. Drifting through various regions helps one apply a sort of fine tuning to what he thinks he knows about the United States.

But there are no surprises.

Somewhere in this land there may be a place where the divisive social, political and economic issues of the 1960s have been eluded or held at bay. This reporter did not find it.

Somewhere exists a community that established its priorities, dealt methodically with urgent public tasks, committed sufficient

funds to assure success and lived happily ever after. Don't you believe it.

Indeed, the chaotic pressures exerted on man and nature appear to be so consistent that one is inclined to be encouraged even as he ventures a fairly negative prognosis for the immediate future.

America is at a crossroads in its life as a cohesive and governable nation. Its citizens unanimously agree on that much.

What many of them still do not seem to realize—despite the quantities of printed and broadcast information to this effect—is that their own community's problems are not in any way unusual.

As surely as a marigold seed grows into a marigold and not a daisy, the community that undergoes marked changes in population and uniformity of its citizens is soon beset with all the now-familiar facets of the urban crisis, suburban crisis, rural crisis, etc.

A white candidate for Mayor of Detroit could be running for the same office in any other city with his promises to use "modern electronic technology" for getting policemen to the scene of crime, to establish "neighborhood city halls" where clerks will listen to you, to do something nice for senior citizens, to do something firm about juvenile delinquency.

Everywhere public officials are attuned to overwhelming public revulsion against overt violence of any sort. Citizens insist that they are not against greater equality for blacks or a greater voice for students in university affairs.

But don't try to justify violence as a means of achieving anything. The American people, although not renouncing their own violent national past, are turning against even the quiet violence by which man has assaulted and battered his environment.

Yet the protest technique seems certain to be with us for years to come. It has become respectable.

"The middle class for years has been afraid to rock the boat," says the head of a citizens' tax group in Milwaukee. "Students and minority groups showed us that confrontation is the key to getting results."

The tax revolt runs wide and deep. All over America voters are rejecting school budgets, refusing to approve bond issues and otherwise declaring that, Oliver Wendell Holmes' statement notwithstanding, their taxes are not buying a civilized society.

Older white residents of cities contend that the tax load is driving them out of their little homes. Even in the suburbs this theme can now be heard.

"The tax system is starting an elite here," mutters a barber near Boston. "The rich can afford to stay but I can't."

From Richmond, Va., to Portland, Oreg., the traveler is told that middle-class resistance to taxation will continue until America starts tending to the things that once were the hallmarks of a proud and efficient adventure in democracy: Garbage collection. Postal service. Poor people willing to work for a living.

New York City is viewed as being so big and such a mess that it is a special case. There is vague awareness, however, that if Gotham is ungovernable, no other city can take its future for granted. If citizens do not maintain their property in the Bronx some sort of bell may be tolling for Des Moines.

Stated in various ways, a national demand for new priorities is what seems to arise for this welter of dissatisfaction.

Putting astronauts on the moon was an exhilarating, almost spiritual, experience for an America divided against itself. In the fifth and by some measures the eighth year of a war that will not be "lost" and cannot be "won," the mission of Apollo 11 was victory in its most decisive, noble and faultless form.

Where do we go from here? The public has expressed no clear judgment on how badly it wants to explore Mars. Some observers considered Apollo 12 something of a rerun. Even in central Florida, not far from Cape Kennedy, polls disclose erosion of support for more of the same. There is pride in the country's technology and delivery systems. As a people, Americans take know-how for granted, and not only in the bleak reaches of space. This nation applauds the same expertise when it is harnessed to deliver countless hot dogs (cooked in beer) to just about any intersection in these United States.

So why can't trash be taken for disposal to some place far away? San Francisco on its peninsula may appear to be a special case in this respect. It is a matter of degree, however. City dwellers in every region are receptive to trash trains, laser beams, anything to make their junk disappear.

The sanitary landfill at wealthy Monterey, Calif., "even has a Filipino gardener," boasts the landfill superintendent. While picturesque and sequestered Monterey was giving trash a relatively fancy burial, the local teachers went on strike for more pay.

One finds virtually no support for continuing the Vietnam war. This is not to say that some people would not like to bomb Hanoi and "get it over with." Mostly it is the young who brood about the violence overseas.

Those who express the greatest frustration over the stalemate, and the shortest patience with antiwar protesters, seem to know what is inexorably coming. Equating withdrawal with defeat, their bitter search for reasons "why" has already begun.

In philosophical moments, some individuals of ultraconservative persuasion seem to be saying that President Richard M. Nixon has their permission to end it as long as he calls it something else. Many object to "instant analysis" on television because, they say, it militates against efforts to give Americans something to believe and cling to at this painful juncture in the nation's life.

Mostly folks are simply tired of war, tired of death, tired of trying to do right by "little brown people" on the other side of the world who "aren't worth the life of any American boy."

For too many years, one is told in cities and towns everywhere, families have been separated for no good reason if we're not going to win this thing.

The sad departures continue. Smart in his starched uniform, the soldier tries to cheer his wife and aging parents at the airport. They are not to be consoled. Just as they see few tangible domestic returns for their tax dollars, they no longer believe that we protect Los Angeles by scanning a Saigon crowd for an indistinguishable enemy.

On the home front these issues, listed in the order in which residents of the Massachusetts view them with alarm, hold true in the South, West and Midwest as well:

Drug abuse among youth, inflation, welfare, lack of respect for authority, the Mafia, crime in the streets, cost of auto insurance, cost of state government, riots in the ghettos, highway accidents, breakdown in parental discipline, student protests, property taxes, cost of town and city government, industrial development, income taxes, water pollution, dishonesty in high places, air pollution, traffic congestion, helping the poor, police protection, racial prejudice, parking, alcoholism, public transportation, mental health, education, quality of roads, recreation facilities and unemployment.

In the face of all this, Americans have turned predominantly conservative in their attitudes, whatever their political party affiliation.

The conservatives are more conservative.

Perhaps half the liberals have become conservative; the other half are either silent or dispirited because the nation is in no mood to support new crusades against hunger, injustice or the like.

One hears also of the strong desire of American suburbia to be let alone. Americans are a people struggling to better themselves and the lives of their families. Whites want to move up from apartments where people dump their automobile ashtrays in the parking lot. Blacks want to leave places far worse than that.

To date, the suburbs have not been the paradise to which all have aspired. Americans still search for the sense of place that small towns and farmsteads offered. Even city neighborhoods offered this sense of belonging before cities started falling apart.

No matter. For now, at least, the expanding American middle class wishes to putter in its back yard, see a football game on television, play some corkball (in Savannah they call it half-rubber) with the kids, and try to get a little love and laughter out of a world that is beyond understanding.

"We are concerned in public affairs, but immersed in our private ones," wrote Walter Lippmann nearly 50 years ago. It remains true today, although it is increasingly difficult to tell public from private.

RACE, YOUTH ISSUES TEST U.S.

(By David Bowes)

WASHINGTON.—"I know that the heart of America is good," said President Richard M. Nixon in his inaugural address last January. Americans want to believe this but many cannot.

As if the complexities and disruptions of metropolitan life were not enough, the traveler in search of America today hears repeatedly that two issues—race and youth—are sorely testing the nation's capacity for good will.

White citizens still express support in principle for racial harmony in education, employment and housing. As time passes there seems to be more willingness to accept black Americans as equals—in the sense that they have equal opportunities.

Simultaneously, however, whites make it clear that they do not condone racially divisive language from blacks. Nor do they understand why some Negro Americans act as if they thought separatism was the answer. Moreover, many whites believe that militant blacks speak for most blacks.

Negroes, for their part, generally express faith that their race will gain full access to life in America just as various groups of ethnic whites did before them. Most blacks disapprove of the conduct of militant separatists, but they voice fully as much impatience.

The revolution of rising expectations—a term often applied to underdeveloped colonial nations—has become a major factor in domestic race relations as well. "Now," as in "Freedom Now," means what it says.

As surely as Southern whites knew deep down that school integration was coming, no matter how many delays were cooked up, Negroes everywhere predict that full equality will come. Their desperation stems from the fact that they might not live to enjoy it.

A black woman in Virginia, about 60 years old, knows the times have left her behind. Although she is not angry, she makes this melancholy observation:

"All these modernistic things that colored kids are demanding. Mostly they're getting chances that all of us should have. What I wonder sometimes is why I didn't think of trying harder for freedom when it could have made a difference. Why didn't I think of it? Maybe only schooling sets you thinking."

These thoughts are almost identical to

comments made by white parents who contemplate the turbulent, liberating lives of young persons now coming of age in America. Few citizens, however, are aware of these similarities in outlook.

Back in May this reporter talked with a Negro woman whose student son he had met in a different city. Remembering her boy's high-rise Afro hair style, this mother asked: "I suppose he's still wearing that awful, long hair, isn't he?"

Frequently, in many sections of the country, the comment has been recounted in conversations with white mothers perplexed by the rebellious attitudes of young persons whose hair hangs down instead of standing up.

Without exception, the reaction of the white women has been one of amazement. All of them immediately recognize the parallels between their own motherly dismay and that of the Negro mother.

Most of them accept this true incident as true, despite the fact they have never experienced anything that might corroborate it. A few whites insist that the reporter is making up stories to support some personal bias.

Besides this evidence of de facto separatism, one encounters a wide range of misconceptions which raise serious questions about reality as well as tolerance in America today.

The white merchant in Salinas, Calif., may be forgiven his annoyance at finding Negro members of the Job Corps living in the Omaha hotel where his high school prom was held. Having declared that we can't go home again, people try anyway, blaming others when it doesn't work out.

Not so easily forgiven, at least not by low-income whites, is the middle-class liberal who espouses integration for others but lives beyond the upheavals it produces. Some crusaders live in expensive suburbs; others live in northern states where only a few Negroes reside.

Southerners are quick to express resentment when people in higher latitudes tell them how to manage their affairs. The southern point is fairly made.

A parade in Florence, Oreg., last summer included a shuffling character in blackface whose function was to clean up manure from the horses. Vermont's tradition of equality since Abolition days was shaken a year ago when night raiders attacked the home of a black minister. In Minnesota, indorsement of the Kerner Report is no less valid if the political leader has never met any Negro, but some might find indorsement easier.

The glamorous culture of youth is wringing other anxieties from the heart of America. Fed the world's most nourishing diet, reaching puberty earlier than ever, our children are brimming with righteous indignation and animal spirits in equal measure.

Organized religion is going through a time trial for many reasons, chief among them the young persons who accuse the bigger denominations of practicing real estate first and Christianity second. This is what the traveler is told by clergymen in metropolitan areas.

Urban America is where church membership projections in the late 1950s heralded growth. New wings were built for Sunday schools and the full range of secular activities that characterize religion in the twentieth century. In many cities this growth did not pan out. So the mortgages are bigger and financial support from congregations is declining.

Without young persons and their social gospel of brotherhood and involvement, religion in the United States faces a doubtful future. With middle-class adults dropping out—they say churches are too liberal and controversial—religion today is tenuous, too.

An unscheduled visit to a Protestant theological seminary illustrated the youthful

view that the seniority system has held back the nation. In addition, it was one of countless incidents showing how "youth" as an age bracket now runs from roughly 12 years of age through graduate students in their middle twenties.

Hearing a broadcast report that seminarians had occupied an administration building, this reporter left a busy freeway and found his way to the shade-dappled campus that was under siege.

The seminarians, most of them clean-shaven and all of them terribly earnest, were protesting against the fact that the board of trustees had no Negro members. A small percentage of seminarians was black; most of the protesters were white.

Not only were these future ministers unanimous in the action they took. Their wives had signed a petition urging them to boycott examinations and the like. A student spokesman explained:

"This country is being run by self-perpetuating boards of older people. Time and again we respectfully asked for a hearing. Not a word, not even from the progressive businessmen who serve as trustees here. Now that we've taken over they all want to talk. Isn't it sad when we have to do something absurd like this to get action on a moral issue?"

Another significant factor is that many Americans under 30 no longer fear attack or invasion by a foreign power. The Cuban missile crisis was seven years ago—a long time as young people measure it.

Even members of right-wing political organizations seem content to focus on what they believe is domestic subversion.

"I belong to an anti-Communist organization that never holds meetings," confided a pleasant lady in Dallas. "We don't want to be infiltrated."

Few Americans express interest or abiding faith in the civil defense program. In a suburb of Washington, D.C.—a prime target for enemy attack—more than a hundred water containers in one big shelter stand empty. First aid kits have been borrowed and never returned.

Citizens who may have given the best years of their lives to winning World War II remember Pearl Harbor, Dachau, Buchenwald and Manchuria. Indoctrinated with the notion that America could be attacked, for reasons totally beyond its control, they made a kind of game of pondering global machinations.

Younger citizens, better educated than ever before, know nothing of this feeling, just as they know nothing of great economic depressions. For this reason, some thoughtful observers suggest, the young are unwilling to pursue military adventures in Korea, Vietnam and elsewhere.

Instead, youth worries about why the nation cannot supply adequate housing, sufficient clothing, food, a decent environment. They ask why it is not possible, with affluence upon us, for an individual to find creative work and leisure in this impersonal, industrial society.

This divergence of emphasis between generations may produce more startling contrasts in the future. More than 12,000,000 Americans were enrolled in colleges or universities in this decade. Is higher education an intense mass experience, shaping lives and attitudes just as war and depression did?

Near a midwestern university two unmarried students are strolling. He gathers a handful of her hair and tugs it gently. She looks up with the adoring eyes that women have saved for special men since time began. They do the weekly washing at a coin laundry, then head home to macaroni, marijuana and bed.

Many young people consider such relationships essentially more honest than what is described in the vintage Americans painted

on honeymoon cars. "Just Married! Tonight It's Legal!" declares a Dodge in New Hampshire. "Now It's Legal! Ha-Ha!" shouts a Volkswagen in Seattle.

Youth's new brand of honesty still has fewer adherents than the old. But youth, because it is so young, has time.

AMERICA CLINGS TO PAST AMID URBANIZATION (By David B. Bowes)

WASHINGTON.—Too tired and discouraged for its tender years, this nation of 202,000,000 has moved to the city but left its heart on the farm.

Paying unconscious homage to the agrarian past and its systems of government, America is an urban society surprisingly naive about how it got that way and about why it is undergoing spasms of change.

On every hand the traveler sees evidence of disparity between the vast, industrial United States as it is and the hope of many citizens that small town and rural values still set the pace.

Nearly everyone knows what a dramatic increase in population growth and density can do. It can make a nation such as India seethe with class hatred, taxing its capacity to achieve consensus or withstand protest and rioting.

The historical rate of population growth in America is not far different from that of contemporary India, according to the Population Research Center of the University of Chicago. America's high natural birth rate and heavy immigration were wonders of the world.

Not until April will we complete 50 years as an urban nation—a majority of Americans living in communities of 2500 or more—and demographers predict sizable population growth before the year 2000.

With the disappearance of free frontier land, the impact of this trend of urban growth intensified.

Phillip M. Hauser, professor of sociology and director of the center, believes that the combined effects of population growth, density and racial concentration "produced in the realm of the social the equivalent of a mutation in the realm of the genetic."

In Hauser's view, the northward migration of Negroes is not yet fully grasped. Blacks, having been excluded from mainstream America, went from 73 per cent rural to 73 per cent urban in a half century.

Although he does not believe that either conservatism or liberalism can solve the urban crisis—he calls for new emphasis on social sciences—Hauser does relate politics to population.

It is no accident, he said, that conservative Senator Barry M. Goldwater of Arizona comes from a state that as recently as 1940 had a population density about the same as that of the United States in 1790. Nor is it mere coincidence, he said, that Senator Jacob K. Javits, a liberal Republican, represents crowded New York.

Asked whether the United States had somehow slipped its moorings and begun drifting as a nation, Hauser shook his head.

"On the contrary," he replied, "I don't think we've slipped our moorings fast enough. Our responses to urban problems are tied to archaic state and federal constitutions. I question whether America can remain a viable society unless we stop trying to solve twentieth-century problems with nineteenth-century methods."

Hauser, a recent past president of the American Sociological Association, is outspoken in his interpretations of population data tracing the passage of this country "from the little community to the mass society."

That Americans find it difficult to reassess familiar systems of governance is neither new nor surprising. Friendly conversations in many states reveal some progress amid the general lag.

The realization that county government, as constituted, may not be equal to its tasks is gaining ground. One is frequently told that county seats were situated one day's buggy ride from anywhere in the county, the implication being too clear to spell out.

Planning has become a respectable word, as Hauser noted, if it is modified by the term "city." However, when modified by such terms as "metropolitan," "regional," or "national," it is still considered a dangerous idea by many Americans.

While youth exalts the here-and-now, its elders seem preoccupied with earlier years—not so much to learn where we have been as to relive simpler periods through their artifacts and rhetoric.

Dealers in antiques and the like report that traditional distinctions between antiques and worthless discards are blurred. A Post Toasties box glued to a varnished board sells for \$14. The coil from a Model T Ford is tagged \$8.75. Demand is as great for morality plays of the sort depicted in comic books from the 1940s.

On the philosophical side, one encounters not a misreading of history, but an apparent disregard for context and changing times. Century-old quotations from Abraham Lincoln, suggesting that free Negroes ought to know their place, are cited chapter and verse against civil rights legislation.

Furthermore, there is limited sentiment among the voting public for the possibility that the Founding Fathers did not intend specific points in their documents to be protected against amendment of any sort.

Hauser noted that the United States, at the time of the writing of the Federal Constitution and most of the state constitutions for which it was the prototype, was an agricultural society in every respect.

Between 1910 and 1967, farm employment declined to 4,953,000 persons from 13,555,000. Americans working in service industries increased to 10,071,000 from 2,203,000 in about 40 years. There were 2,676,000 Government employes in 1919. Now there are more than 11,000,000 civil servants and neither political party promises to do anything to reduce the number.

Megalopolis—with every physical economic, personal, social, spiritual, racial and governmental problem—is where you find it. Hauser sees it emerging from:

Milwaukee to Chicago to South Bend
Chicago to Peoria to St. Louis.
Detroit to Toledo to Cincinnati
Toledo to Cleveland to Pittsburgh
San Francisco to Sacramento
San Francisco to Fresno to Los Angeles to San Diego
Everett to Seattle to Tacoma to Portland to Salem
Jacksonville to Orlando to Miami on Florida's east coast
Jacksonville to Orlando to Fort Myers on Florida's west coast
Buffalo to Utica to Albany
Knoxville to Chattanooga to Birmingham
Denver to Pueblo
Dallas to Houston to Galveston to Fort Worth to San Antonio
Atlanta to Durham
New Orleans to Mobile to Tallahassee.

It takes any time and depth of focus for the roving reporter to confirm that Hauser's predictions are coming true.

The talk about new towns and new cities suggests to some persons that escape from urban society and its ills is possible. This is still a free country; hippies and straight people alike are returning to till the earth.

Hauser foresees continued concentration into metropolitan clusters, "... because such areas are the most efficient producing and consuming areas which man has yet devised."

"They are also the areas of greatest social lure," Hauser said, "embodying the most advanced levels of education, science, art and general recreational and cultural facilities."

By 1990, even with considerably reduced fertility, the total population could increase by as many as 90,000 persons. Of this increment, 80 per cent is likely to concentrate in metropolitan areas where racial segregation by cities and suburbs still will be pronounced.

This means that for the next 50 years America can look forward to more of the growth and confusion that already has it reeling. If the prospect is discouraging, one can be thankful that a nation so young should be resilient enough to pull through.

"The trick is to grow up without getting old," the architect Frank Lloyd Wright once remarked. Wright's words suggest a fitting challenge for a stirring and beautiful democracy in the 193rd year of this country's independence.

LEGISLATIVE ACCOMPLISHMENTS OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. YARBOROUGH. Mr. President, as the session draws to a close, I wish to report to the Senate on the work done by the Committee on Labor and Public Welfare, of which I am chairman.

Let me say first that I am proud of the record the committee has made in 1969. The record could not have been made without the great help and cooperation I received from all Senators, including our colleagues on the other side of the aisle.

The committee received and reported 31 nominations, all of them subsequently confirmed by the Senate.

It held hearings on 56 different topics, covering 150 days of hearings in Washington and in various places in the country.

The legislative record shows the following results:

Eleven bills handled by the committee were passed by both Houses, and signed into law by the President. The list of bills follows:

H.R. 497, Public Law 91-4: To amend sec. 301 of the Manpower Development and Training Act of 1962, as amended. (H. Rept. 91-26, Feb. 4, 1969; passed Senate (in lieu of S. 279); Mar. 7, 1969). Approved Mar. 19, 1969.

H.R. 8438, Public Law 91-6: To extend the time for filing final reports under the Correctional Rehabilitation Study Act of 1965 until July 31, 1969. (H. Rept. 91-77, Mar. 13, 1969; passed House, Mar. 18, 1969; Mar. 20, 1969, received by Senate and placed on Senate Calendar; taken from calendar and passed by Senate, Mar. 24, 1969) Approved Mar. 28, 1969.

H.R. 3689, Public Law 91-45: To cede to the State of Montana concurrent jurisdiction with the United States over the real property comprising the Veterans' Administrative Center, Fort Harrison, Mont. (H. Rept. 91-13, Feb. 4, 1969; passed House Feb. 17, 1969; S. Rept. 91-284, July 2, 1969; passed Senate, July 8, 1969). Approved July 19, 1969.

H.R. 10946, Public Law 91-54: To promote health and safety in the building trades and construction industry in all Federal and federally financed or federally assisted construction projects. (H. Rept. 91-320, July 15, 1969; passed Senate, with amendments, July 24, 1969; House agrees to Senate amendments, July 28, 1969.)

S. 1611, Public Law 91-61: To amend Public Law 85-905 to provide for a National Center on Educational Media and Materials for the Handicapped, and for other purposes. (S. Rept. 91-195, May 23, 1969; H. Rept. 91-395, July 28, 1969; passed House, amended, Aug. 4, 1969; Senate agreed to House amendment, Aug. 7, 1969.)

H.R. 11235, Public Law 91-69: To amend the Older Americans Act of 1965, and for other purposes. (H. Rept. 91-285, June 5, 1969; passed House, June 16, 1969; S. Rept. 91-340, Aug. 5, 1969; passed Senate, amended, Aug. 13, 1969; House agrees to Senate amendments, Sept. 3, 1969.)

S. 2068, Public Law 91-86: To amend sec. 302(c) of the Labor-Management Relations Act of 1947 to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions, or the establishment of child-care centers for pre-school and school-age dependents of employees. (S. Rept. 91-293, July 7, 1969; passed Senate, Sept. 12, 1969; H. Rept. 91-286 (H.R. 4314), June 5, 1969; passed House, amended, Sept. 29, 1969; Senate agrees to House amendment, Oct. 1, 1969.)

H.R. 13194, Public Law 91-95: To amend the Higher Education Act of 1965 to authorize Federal incentive payments to lenders with respect to insured student loans when necessary, in the light of economic conditions, in order to assure that students will have reasonable access to such loans for financing their education. (H. Rept. 91-455, Aug. 7, 1969; S. Rept. 91-368 (S. 2721), Aug. 8, 1969; passed Senate (S. 2721), Aug. 12, 1969; Conference report H. Rept. 91-560, Oct. 13, 1969; agreed to by Senate, Oct. 13, 1969; agreed to by House, Oct. 16, 1969.)

H.R. 2768, Public Law 91-101: To amend title 38 of the United States Code in order to eliminate the six-month limitation on the furnishing of nursing home care in the case of veterans with service-connected disabilities. (H. Rept. 91-270, May 27, 1969; passed House, June 12, 1969; S. Rept. 91-482, Oct. 17, 1969; passed Senate Oct. 21, 1969)

H.R. 3130, Public Law 91-102: To amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish medical services for non-service-connected disability to any war veteran who has total disability from a service-connected disability. (H. Rept. 91-271, May 27, 1969; passed House, June 2, 1969; S. Rept. 91-483, Oct. 17, 1969; passed Senate, Oct. 21, 1969)

S. 1857, Public Law 91-120: To authorize appropriations for activities of the National Science Foundation pursuant to Public Law 81-507, as amended. (S. Rept. 91-285, July 2, 1969; passed Senate, Sept. 18, 1969; (H. Rept. 91-288, June 5, 1969—H.R. 10878); passed House amended in the nature of a substitute, Oct. 7, 1969; conference report, H. Rept. 91-600, filed Oct. 27, 1969; House agrees, Oct. 30, 1969; Senate agrees, Nov. 5, 1969.)

Three bills have been passed by both Houses, and are awaiting final action by the President. They are: S. 2917, the coal mine health and safety bill; S. 3016, Office of Economic Opportunity Amendments of 1969; and H.R. 9334, to provide for veterans State home care.

We are ready to go to conference with the House on one bill, H.R. 11702, relating to medical libraries.

On three bills: S. 2523, the community mental health centers bill; S. 2809, for public health training; and H.R. 11959, raising the allowances for veterans taking education and training, and making certain other improvements in the GI bill, the Senate has appointed its conferees.

Three bills are awaiting referral to conference or acceptance by the House of Representatives. These are: H.R. 14733 on migrant health, H.R. 693 for medical benefits for older veterans, and H.R. 9634 for sharing of medical services.

One bill has just cleared the full committee and been ordered reported to the

Senate. It is H.R. 514, the Elementary and Secondary Education Amendments of 1969.

Finally, four bills referred to the Labor and Public Welfare Committee have been passed by the Senate and are awaiting action by the House of Representatives. The list of bills follow:

S. 1519: To establish a National Commission on Libraries and Information Science, and for other purposes. (S. Rept. 91-196, May 22, 1969; passed Senate, May 23, 1969) Referred to House Education and Labor Committee on May 26, 1969.

S. 2264: To amend the Public Health Service Act to provide authorization for grants for communicable disease control. (S. Rept. 91-478, Oct. 15, 1969; passed Senate, Oct. 20, 1969) Referred to House Interstate and Foreign Commerce Committee on October 21, 1969.

S. 2452: To amend Sec. 211 of the Public Health Service Act to equalize the retirement benefits for commissioned officers of the Public Health Service with retirement benefits provided for other officers in the uniformed services. (S. Rept. 91-455, Oct. 14, 1969; passed Senate, Oct. 20, 1969). Referred to House Interstate and Foreign Commerce Committee on October 21, 1969.

S. 1279: To provide that any disability of a veteran who is a former prisoner of war is presumed to be service connected for purposes of hospitalization and outpatient care. (S. Rept. 91-486, Oct. 17, 1969; passed Senate Oct. 21, 1969). Referred to House Veterans' Affairs Committee on October 22, 1969.

I want to commend and thank my colleagues on the committee for the hard work they have put in on these measures and for their diligent attendance at hearings and at committee meetings. They have already enabled the committee to make a fine record in the first half of the 91st Congress, and I look forward to an equally productive year in 1970.

NEED TO IMPROVE INDIAN EDUCATIONAL SYSTEM

Mr. MONDALE. Mr. President, the appalling statistics on unemployment, health, poverty, and education which come out of our Nation's Indian reservations and communities have been recited many times. We have heard them so often—40 percent unemployment, \$1,500 annual family income, lifespan of 44 years—that we have almost become immune to their meaning.

I was beginning to fear I had, until I received a letter this week from Mr. Jerry Buckanaga, the Indian principal of the Pine Point School near Ponsford, Minn. Out of this small northern Minnesota Indian community, Mr. Buckanaga reported the following tragic statistics: two teenage suicides and seven attempted suicides in the last 10 months; 18 local Indian youths incarcerated in State correctional institutions, another 27 on probation; a high school Indian dropout rate of 78 percent, and an average daily attendance of only 51 percent.

These statistics can be interpreted a number of ways, but of one thing I am convinced: the educational system must bear the major responsibility for these tragic situations. These statistics will not change until the educational system changes to recognize the special needs of Indian students.

The recently released report of the Senate Indian Education Subcommittee pointed out ways in which the educational system should change. The report called for, among other things, increased participation by Indians in the operation of schools attended by Indians, and development and implementation of curriculum materials which recognize cultural differences. Mr. Buckanaga has taken these recommendations to heart and has begun plans to establish an Indian-planned and Indian-operated experimental school in place of the present system. His observations on the problem in Indian education are insightful and his suggested remedy is a gratifying response to the Indian Education Subcommittee's recommendations.

I ask unanimous consent that his letter be printed in the RECORD.

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

PINE POINT SCHOOL,
Ponsford, Minn., December 12, 1969.

HON. WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: In light of your deep concern in the area of Indian Education, I am writing to you to inform you of a serious problem and perhaps you may find a way to assist me.

Briefly, this is the problem. In 1967, the State Legislature passed a law calling for reorganization of the school districts in the state of Minnesota. This affects us and the future of this Indian community. This will eliminate an all Indian school board and Indian administrator. I think our administration structure is indeed a very unique instance. The aspect of improving Indian Education is very difficult when done by the non-Indian. This has been the pattern for generations and this will continue to be the pattern in light of the school reorganization act. This is a most unfortunate circumstance because of the impact this will have in the area of Indian self-determination. The impact, I feel will be a negative one. Many of the Indian parents have stated they will not send their children to school if we lose ours. This, of course, is the ultimatum and I don't want to go that route unless there is no way to turn.

I feel there are some things that I as an Indian can correct in the field of Indian education. Being the administrator here for the past year has given me extensive insight to the gigantic problems the Indian child has to encounter. The ignorance of the public school system in attempting to educate the Indian is deplorable.

I have initiated a proposal for the development and establishment of an Experimental-School in this community, similar to the Rough Rock, Arizona school. It will involve a drastic change in the curriculum and methodology of instruction and personnel. I feel I must do this and be given the chance to make mistakes because others have made too many mistakes for us. If we fail it will be our failure and at least the Indian will have had the opportunity to decide on his own destiny. Perhaps the major reason for wanting a project such as this is because of the many problems we do have and very little is being accomplished to alleviate the problems we live with. Although it is difficult to select a most serious problem I feel that education is of a major priority because of the impact it will have on the future generations of Indian people. In my proposal I intend also to be dealing with the economic aspect, with the employment of Indian people in the school program. This means a concentrated involvement of the community

and the people. The apathy we have is because of the ignoring of the Indian people, the manipulation of Indian people by the professional people who have been delegated to serve us and this must be a focal point in the project. The Indian has not had much hope and has accepted the poverty, alienation and degrading without too much opposition. The problems we live with in this community are known by all when people discuss the Indian "problem". I am referring to the figures and statistics which I constantly read about. Let me cite a few statistics also.

Suicide: In the past ten (10) months, two (2) young Indian people have committed suicide. Seven (7) more attempts were made.

Delinquency: We have eighteen (18) of our young people being detained in state correction agencies. Twenty-seven (27) are on probation to the courts.

Dropouts: The high school drop-out rate in the high school we contract with, is 78%. The average daily attendance is approximately 51%.

These are the statistics of one Indian community and this is the community of Pine Point-Ponsford.

The Indian people have little hope. What hope there is lies in me and retaining the school. I feel that I can correct many of the despicable wrongs which have been done to the Indian people. I must be given the chance to salvage the identity of the Indian and this community. This is the hope that we have.

I am appealing to you on behalf of the Indian people in the community of Pine Point-Ponsford to assist us in our efforts. What there is you can do, I don't know. What I do know is you are concerned about Indian people and Indian education.

I will keep you informed as to the progress of the proposal.

Sincerely,

JERRY BUCKANAGA,
Principal.

GEORGETOWN UNIVERSITY PROPOSES CENTER FOR INTER-AMERICAN AFFAIRS

Mr. BAKER. Mr. President, on October 31, 1969, President Nixon in an address before the Inter-American Press Association called for "further interchange, for increased communication, and, above all, for new imagination in meeting our responsibilities" in the Americas. Georgetown University, ever conscious of its special responsibility to hemispheric affairs due to its unique resources and its location in the Nation's capital, is attempting to answer this call.

Recognizing the national and hemispheric need for intensified study and research on inter-American affairs, Georgetown University plans to establish a center for inter-American studies. This new center will conduct a program of research, study, and consultation which will focus on the changing dynamics of the two principal cultures of the hemisphere, oriented toward present and future issues and problems. Training in the acquisition and application of knowledge and theory regarding specific problems will be provided for graduate students, while services will be made available to the larger academic and professional communities.

SECTION II

Georgetown University, through its departments of economics, history, and government, its school of foreign service, its school of languages and linguistics, its center for population research, and

its interdisciplinary Latin American studies program, has long offered opportunity for both undergraduate and advanced studies in the area and languages of the Western Hemisphere. Because of this, Georgetown has consistently attracted a large number of students from Latin America, which fosters an active and fruitful interchange between them and their North American counterparts.

Located in the heart of the Nation's Capital, the university is close to some of the major centers of activity dealing with Western Hemispheric problems and issues. The Pan American Union, Secretariat of the Organization of American States, Hispanic Foundation of the Library of Congress, National Archives, and Latin American embassies as well as U.S. Government offices concerned with inter-American affairs offer unequaled opportunities for historical investigations and the study of contemporary problems.

With these resources to draw upon, the center will engage in five new areas of endeavor in addition to its current inter-American activities:

First. A continuing university seminar on contemporary inter-American issues will be conducted by specialists from international organizations and by visiting professors from other universities. It will focus on contemporary problems such as the economic integration of Latin America, the Central American Common Market, population growth, and current revolutionary movements.

Second. An internship program will bring students into a working contact with inter-American organizations and problems. Work and research would be carried out in inter-American organizations in the District of Columbia, in departments and agencies of the U.S. Government concerned with Latin American affairs, and in the area's Spanish-speaking community.

Third. Special research and study projects of a political, economic, social, and cultural nature will be undertaken in cooperation with individual governments, national and international organizations, and public or private groups.

Fourth. Cooperation with Latin American universities will be established.

Fifth. A publication and translation program will be integrated into the inter-university relationships, utilizing the excellent facilities and staff of Georgetown's School of Languages and Linguistics.

In order to turn the proposed center into a reality, Georgetown University is seeking both private and Federal funds.

BANKING ON BLACKS

Mr. KENNEDY. Mr. President, last night the Senate voted to reverse the stand it took last week on the so-called Philadelphia plan. I believe that plan is a step toward the goal of providing every reasonable and effective means of encouragement from the Federal Government to increase the number of black people working on federally funded jobs.

I am pleased that the Senate agreed that on its merits the Philadelphia plan should be a useful and necessary tool for

insuring equitable employment of minorities.

George Shultz, Secretary of the Department of Labor, deserves praise for his forthright stand in support of that plan. He clearly foresaw the impending doom to the hopes of Negroes in his claim that congressional destruction of the plan would be a blow to social justice. I am convinced that the failure of the Congress to approve the plan would surely "lend tragic encouragement to the desperate view that Negroes cannot win equality of opportunity in America by peaceful and orderly democratic processes," as cited in the Washington Post.

Racial discrimination in the construction trades has been exceptionally blatant. But with the Philadelphia plan we should begin to see changes in the hiring of minorities in those trades. A revealing account of how the Chase Manhattan Bank has initiated recruiting drives for more blacks and Puerto Ricans appears in today's issue of the Wall Street Journal. I feel that the Journal column is an excellent description of what is needed in the entire area of providing full employment opportunities for all Americans.

The Chase stepped up its recruitment of blacks and Puerto Ricans simply because it needs more people. Our expanding economy has forced most industries, and especially the banking industry, to seek more and more skilled employees. Chase is looking to that vast market of black and Puerto Rican New Yorkers to fill its needs for banking clerks, tellers, and officers.

Mr. President, I was impressed with the account of the Chase's program because it reveals so much about minority employment and the response of our society to that crucial issue.

I ask unanimous consent that the article, entitled "Banking on Blacks," be printed in the RECORD.

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

BANKING ON BLACKS: CHASE MANHATTAN BANK RECRUITS IN THE GHETTO, AND RESULTS ARE MIXED—DRIVE BRINGS IN NEEDED CLERKS, BUT TRAINING, WHITE BIAS ARE AMONG NEW PROBLEMS—"THE GUY IN THE PURPLE PANTS"

(By Frederick Andrews)

NEW YORK.—Eight miles, or a 35-minute ride on the A Train, separates central Harlem from the trim, glass-walled world of the Chase Manhattan Bank. The subway trip, quite literally, is a journey between two cultures.

Hundreds of blacks now take that ride each day, to work in a bank that until recent years hired few of them. They don't owe their jobs entirely to corporate altruism: Chase needed clerks and decided to go to the ghettos to find them. When it did, it learned a lot about ghetto people and a few things, painfully, about itself.

Some seven years have passed since Chase began intensive efforts to recruit blacks and Puerto Ricans from low-income neighborhoods in Harlem, as well as in the Bronx and Brooklyn. Those groups now comprise about 30% of the bank's 18,000 employees in this country, compared with about 23% two years ago and about 8% in 1963. The influx, still increasing, has forced Chase—the largest bank in New York City and second-largest in the country—to confront problems new to its experience.

AN AMERICA-IN-MINIATURE

For better or worse, the new hiring policy has resulted in an America-in-miniature within Chase's glass walls, with the nonwhites concentrated on bottom and the whites—with a few exceptions on top. The bank now has a large, class-conscious minority—persons new to banking and often poorly prepared for the work, sensitive to criticism, anxious to advance but afraid they won't.

Chase has had to cope with black militancy and formal charges of racial bias. It has launched a costly program of remedial education. It has discovered that some of its white supervisors are ill-equipped, because of prejudices they may hardly recognize, to work with nonwhite subordinates. Gains—and there have been many—often create frustrating new problems.

Both the gains and the problems merit study, because indications are that more and more big-city concerns will have to turn to the ghettos to fill some of their personal needs. Not only are whites leaving cities for the suburbs but also they are showing less and less interest in the kind of low-level clerical jobs every concern must fill. The Chase experience may be seen as a case study that, for many firms, foreshadows the future.

It is generally agreed that Chase has done much better than other members of the New York financial community, including brokerage houses as well as banks, in opening both clerical jobs and other higher-ranking positions to nonwhites. And in business circles, few, if any, concerns are thought to have a keener sense of "corporate responsibility" than Chase. Propelled by strong, concerned leadership at the very top—Chairman David Rockefeller and former chairman George Champion until he retired—the bank has tackled racial problems in dozens of ways.

Chase sponsors a "street academy" in Harlem and has drawn hundreds of its employees into tutoring ghetto children. A Chase foundation gives some \$1.5 million annually to urban programs and community groups that work with drug addicts, unwed mothers and ghetto youths. Bank officers are encouraged to lend their time and expertise—and some Chase money—to struggling black businesses, normally considered poor credit risks.

HELP WANTED

But corporate responsibility isn't the main reason a growing number of ghetto youths have found jobs with Chase. "We need people. They're people. It's as simple as that," says one bank official.

In recent years, while the labor market remained drum-tight, a growing economy forced Chase and other banks into big expansion programs. The banks quickly discovered that their traditional supply of clerical help had shrunk greatly. Many a white, middle-class high school graduate who once saw respectability in the teller's cage now goes to college instead.

And so Chase turned to the ghettos, spreading the word that the bank needed workers, regardless of color. Clearly, that message got across. Recently, a visitor to the Chase personnel office on the 28th floor noted that 14 of the 25 job applicants there were Negroes or Puerto Ricans.

But when the visitor was whisked up to the lofty 60th floor and the officers' dining room (a place few of those job applicants will ever frequent), the black and brown faces were few and far between. There are 1,365 officers at Chase (from assistant treasurer on up), and only 13 are Negro or have Spanish surnames.

Undoubtedly, other concerns around the country have similar ratios, but the makeup of the executive ranks at Chase dramatizes only one of the problems created by the new hiring policy. Horatio Alger stories to the contrary, few bank clerks ever rise to vice president. When most of the clerks at Chase were white nobody gave this truism

much thought. But now the division between clerk and officer increasingly falls along racial lines, a situation that is at once highly visible and potentially explosive.

THE RANKING BLACK

Chase hopes to avoid that explosion by drawing more qualified nonwhites into its officer corps. Already, the bank's ranking black officer, Hughlyn Fierce, probably can lend more money on his own say so than any other black banker in the nation. (Mr. Fierce, 34, who works at the busy Times Square branch, will only say the amount is "comfortably in the six figures.") But Mr. Fierce is only a second vice president, one of 375. Chase says it has nearly 50 nonwhites in training as potential officers.

Meanwhile, Chase is grappling with a more immediate problem: How to train its new recruits to handle clerking jobs. The bank has about decided that its traditional manner of training new employees—a quick orientation followed by on-the-job training, often supplemented by special textbooks—isn't enough for employees, either white or nonwhite, drawn from low-income neighborhoods.

Harold B. Coburn, the bank's vice president in charge of training, explains that Chase supervisors just don't have the time and skill necessary to develop workers who are products of "a deplorable home environment and community context," a well as of deplorable schools. ("I'll never understand why the hell everybody in New York isn't screaming bloody murder" about the city's public school system, he says.)

One sign of the difficulty of fitting in the new employees is the bank's annual turnover rate, which is about 38% for the bank as a whole but almost twice that rate for starting-level jobs. One Chase official says that other banks face a similar problem and adds that the problem is "not so much a function of race as a function of young people, first jobs and not having the discipline to get up in the morning."

Many new employees drawn from the ghetto bring to the job a built-in expectation of failure, Mr. Coburn says. Chase expected that. What the bank didn't foresee is that some of its white supervisors also would expect the newcomers to fail—an expectation that only makes failure more likely. Trying to remedy that, Chase is putting about 900 of its officers, managers and supervisors through a special three-day course this year.

One day last summer, Mortimer R. Feinberg, a psychology professor and president of a New York consulting firm, told one such group to expect more women, more youths and "rising proportions of nonwhites" in the work force. He said many of the nonwhites will have "inadequate academic backgrounds and a variable work history." Some will show "a slight paranoia of suspicion and fear." But this, he emphasized, is "the cross we must willingly bear."

Kenneth Clark, the Negro psychologist whose study of the impact of segregated school systems on nonwhite children was cited in the 1954 Supreme Court desegregation decision, told participants in one session that what many new employees from the ghetto need most is that "someone, some program, take them seriously—acknowledge that their humanity is equal to others." He warned, however, that such employees will be quick to resent "the basic insult implicit in double, triple and overly solicitous standards."

An experimental, costly Chase program seems designed to incorporate much of that advice. It's called JOB and it costs the bank about \$1,200 a participant. So far Chase has put only 255 workers through JOB, but at least parts of the program seem destined to become standard for many new employees in the future.

The typical JOB trainee is "young, black, a

dropout who spent 10 years in school but reads at the fifth-grade level," says Art Humphrey Jr., JOB's white director. The program is open to any young man, white or nonwhite, who can meet the bank's bonding requirements. These exclude felons and narcotics addicts but not purse-snatchers or former addicts. The objective is to make such men into reliable employees.

STRAIGHT TALK

JOB trainees begin with four weeks of full-time study, then spend the next five months working and studying on alternate weeks. The bank pays trainees \$1.60 an hour. Lessons cover mathematics, business fundamentals and language skills (the bank says it teaches some trainees more reading in six weeks than they learned in public schools in years), Mr. Humphrey and his assistants, many of them young and black, bear down hard on work habits, and they believe the trainees appreciate their no-nonsense approach.

"Sometimes I start with real basics," explains Bob Walters, a 30-year-old Negro and JOB's second-in-command. He'll ask: "What do you do when you get out of bed? Don't you wash? I wouldn't want to stand next to you at work." Then he'll move on to dress: "In business they judge a book by its cover. Do you want to become known as the guy in the purple pants?"

Repeatedly, trainees are lectured on the importance of punctuality. A tardy trainee will be dispatched to buy an alarm clock. "If he's late for the fourth time, he's through," Mr. Walters says. "It's back to the (subway) token and the comic book."

Trainees "don't mind being told," says Mr. Humphrey. "They realize that what we're talking about is money—and that's all we're talking about. They don't come to Chase because it's friendly." Accordingly, the pitch often is unabashedly materialistic.

SIGNS OF SUCCESS

Stocky, gum-chewing Steve Kornett, a white assistant treasurer at Chase, bore down on the money angle when he strolled in to address one JOB class. "In our department we work as a team, there's no hanky-panky and we really get that work out," he said. "And our people get rewarded for it." To emphasize the point, he stepped to the blackboard and wrote: "\$=WORK!!!"

Chase deems JOB a success. According to a recent count, 128 of the 255 JOB graduates still are with Chase, a better retention rate than that for similar employees who did not go through JOB. Mr. Humphrey thinks the most encouraging sign is that three-fourths of the current JOB applicants say they were steered there by JOB graduates.

Many graduates speak warmly of the program. "It did a lot for me because they were interested in how you did your work," says Larnell Johnson, 21, a Southern-born Negro who dropped out of a Brooklyn school in the 10th grade. "You feel like you got to help the other guys. We tried not to ask the teacher. Everybody helped everybody along. It was a beautiful experience."

Since JOB, Mr. Johnson has been working in Chase's audiovisual department. His main job is to direct three other men in setting up the necessary charts, screens and slide projectors for staff meetings. He earns about \$97 a week.

Craig Edwards, 20, another Negro graduate, maintains his ties to the program. "I try to get by to talk with every (new) group, (to) tell them you make it on your own," he says. Born and reared in Brooklyn's grim, depressed Bedford-Stuyvesant section, Mr. Edwards had graduated from high school and worked as a messenger before trying Chase. He now works in the bank's bond department, earning \$133 a week.

While generally satisfied with their jobs, both men do worry that they're being boxed into jobs of low pay and little responsibility.

They also assert that Chase demands too much conformity for the rewards it gives.

BOXED IN

"I feel like I'm in a box," Mr. Edwards says. "I can go all the way around, but never up. But as of now, it's worth it." Mr. Johnson also feels he's doing well now but believes he "never could see manager of audiovisual in my future unless I go to college."

A bank official says that without more education employees with Mr. Johnson's kind of background probably will hit a pay ceiling of about \$8,000 a year under present scales.

Mr. Johnson agrees. "I knew I was going to have to be a schizo and act two different ways," one way for Chase and another off the jobs he says. "When I'm with my brothers I act differently." (And perhaps it's wise he does: Several JOB trainees, after complying with Mr. Walters' exhortations to dress more like businessmen, were mugged in their own neighborhoods when they were returning from work.)

Neither man complains of overt racial bias at Chase; in fact, both praise the bank's efforts to end such bias. "They're trying, they're really trying to change attitudes," Mr. Johnson says. Nevertheless, both have been angered by unconscious racial slights.

Mr. Johnson, for example, resents the stares he sometimes gets if he lingers too long in preparing a Chase meeting room for their predominantly white gatherings. "If I'm still there when they (whites) get there, they look at me, like, You lost? Either you or me got to be in the wrong room, and I don't think it's me."

Once, Mr. Johnson was instructed to see to it that a freshly cleaned washroom be kept locked and unvisited until a shareholders meeting began. He had to turn away one insistent white executive. "So he went over to the white guy—my helper—and asked him to unlock the door," Mr. Johnson says indignantly. (The white worker referred the matter back to Mr. Johnson. The door remained closed.)

Although resentful of such experiences, neither man considers them particularly remarkable. "I don't think perfect fair-and-square will ever come," says Mr. Edwards. "The difference is drawn in your black face. This isn't anything new. This is the way most people act unless you have the money or the power. Number one, you haven't got the education. Most of them (whites) do. Number two, you haven't got the money factor. Most of them do."

CHARGES OF RIAS

Bitterness by some other nonwhite employees, however, led to formal charges of racial bias against Chase in 1967. Fourteen employees brought the charges before the New York City Human Rights Committee. Chase denied every charge. Regardless of their merits, the complaints illustrate the kinds of issues that weigh on many minority group employees.

One man complained that while supervisors trained a white employe to run a computer, he had to learn from a mere clerk. Another said whites received individualized instruction while blacks were trained in small groups. A woman charged that her work records were lost deliberately "to minimize my production and prevent my advancement."

The matter escalated when Chase fired nine of the 14 employees. The bank maintained that the firings were for insubordination that had nothing to do with the charges. In a preliminary finding, commission investigators indicated that some of the workers' complaints seemed to have some merit, but the commission eventually closed the case without reaching any official findings. None of the dismissed employes was reinstated.

To Irving B. Davis, a militant black who led the protest and was among those fired, the outcome of the case amounts to a "white-

wash." But the protest did jolt Chase: As a direct result the bank began the management training sessions on the handling of new employes and set up a new department charged with improving the bank's grievance procedures and identifying nonwhites qualified for promotion.

Tom O'Reilly, the white who heads the new department, concedes that in the past Chase "probably wasn't as aggressive as it might have been" in promoting nonwhites. If he succeeds in reversing that situation, Chase is going to end up with more officers like Mr. Fierce, the aggressive, independent black loan officer.

Mr. Fierce won a job at Chase on sheer brass—by writing a top Chase official that more black bankers were needed and offering his services. Then a social worker, he had no banking or business experience. Today he is anything but a docile company man.

Mr. Fierce believes there is "no question" that Chase has done more than other banks to aid nonwhites. But he criticizes the bank for not developing more Negro officers, for being unwilling to pay enough to hire some qualified blacks and for not appointing at least one prominent Negro to its board. He believes his responsibility is to his family, his race and his community—in that order—and consciously measures his job against those priorities.

That's black consciousness, Mr. Fierce agrees, and if critics don't appreciate his priorities or his outspokenness, maybe it's because they've never been black themselves. "They don't understand the impact on a black kid of growing up afraid of his blackness," he says. "It's a monster to walk into a place, hat-in-hand."

INDUSTRY'S MUDDIED WATERS

Mr. MOSS. Mr. President, an important awakening is occurring in this country, an awakening that we are destroying our environment with various types of pollution.

The Sciences, a magazine published by the New York Academy of Sciences, has published in its December issue an informative article on this problem entitled "Industry's Muddied Waters." It points out that industry, although not the only polluter of our Nation's streams and waters, does produce three times as much waste as do municipalities.

The article has an important message for all Americans. 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:

INDUSTRY'S MUDDIED WATERS

Although industry is not the sole polluter of U.S. waterways, it produces about three times as much waste as do the municipalities. Annually, manufacturing plants discharge 5,300,000,000,000 gallons of sewage and 18,000,000,000 pounds of settled and suspended solids. Industrial sources are also expected to provide the greatest increase in future waste volume, which will grow three times faster than the population. These vast amounts of waste matter completely alter the waterways, aging them and making them unsuitable for agriculture, recreation, fish, wildlife, and as sources of municipal and industrial water supply.

Destruction of usable water sources is accomplished quickly when organic wastes add to the BOD, the biochemical oxygen demand. Wastes from food and fiber processing plants, the unesthetic byproducts of canneries, paper mills, poultry-packers and slaughterhouses may include blood, hair and bits of flesh. Such nutrient-rich sewage stimulates aquatic plant growth and reduces the con-

centration of dissolved oxygen in the water. When anaerobic bacteria take over, malodorous hydrogen sulfide and methane gas are emitted from the black and bubbly water. (See "Short-Circuiting the Water Cycle," The Sciences, Dec., 1966.) Although many organic wastes are broken down by conventional sewage treatment, chemical companies and fabricators often discharge persistent pollutants—synthetic organic wastes which are not removed by natural stream purification or by modern sewage techniques.

INTENSE, UNPREDICTABLE DAMAGE

More prevalent are industry's inorganic wastes: acids, alkalis, metals and dyes. Dilution makes some harmless; others, in concentrations of less than one part per billion of water, are lethal to fish life. "Some are toxic to plants, some to animals, some to both..." writes naturalist John Perry. "The effects may be quick and evident, or slow and difficult to ascertain. Some chemicals may react with each other in water, forming new compounds." (Our Polluted World Franklin Watts, Inc., 1967) Chemical effects are most intense near metropolitan areas and their associated industrial complexes, striking hardest in dry weather when stream flows decline. But industrial pollution is unpredictably episodic. "Pipes breaking, accidental spilling, and other mishaps cause sudden and unexpected contamination of lakes and streams," Mr. Perry says. "Occasionally such an accident releases dangerous chemicals, such as cyanide, not usually present in the wastes." The most striking fact about these episodes, the conservationist notes, is that minute quantities of chemicals may cause extensive damage and touch off massive fish kills.

As industrial processes grow more complex, time-honored materials give way to new synthetics whose transformation in nature is unpredictable. "Questions about the possible carcinogenicity of some of these materials remain unanswered," states a 1965 report of the Environmental Pollution Panel and President's Science Advisory Committee. "The identities of many of the organic pollutants or products formed in nature from the original chemicals have not been established. Although the kinds of chemicals and their effects remain largely unknown, it is known that... many of them pass through the usual water treatment processes and reach the consumer in his drinking water." (*Restoring the Quality of the Environment*, The White House, Washington, Nov., 1965.) In 1968, the Public Health Service reported to the House of Representatives' Committee on Science and Astronautics that "knowledge as to the long-term chronic effects of these substances is notable by its absence." The testimony noted that "the increasing discharge of wastes to water resources is exposing man to an increasing degree to low levels of potential hazardous chemical intoxicants which may have a direct effect on his health." Such contaminants affect man directly in his drinking water and indirectly through food sources and increased insect vectors. (*Environmental Quality*, U.S. Government Printing Office, Washington, 1969.)

Despite the increasing hazards of industrial pollution, the notion that industry is responsible for safe disposition of its own wastes is still alien to most businessmen. "The Federal government for years has provided grants and loans to municipalities to assist them in building sewerage systems and sewage-treatment plants which has enabled them to proceed with these works at a moderate cost to the citizens, but there has been no such help to industry," writes Edmund B. Besselleve, industrial consultant to Forest & Cotton, Inc., Dallas, Texas. "The health authorities have demanded that industries desist from pollution of the streams by its wastes, but have steadfastly refused

until very recently to give them any financial assistance. . . . Industry has always been the scapegoat in the water-pollution problem, despite all the efforts that farsighted and public-spirited industrial concerns and organizations have shown." (*The Treatment of Industrial Wastes*, McGraw-Hill Book Co., 1969.)

BY-PASSING THE LAW

Mr. Besselièvre points out, however, that not every concern is public-spirited. Some have found legal loopholes to avoid the cost of waste treatment. Others, he notes, have "procrastinated in the fulfillment of the orders of the regulatory agencies or tried to circumvent them by expedients of different kinds." Even industries that are motivated to control water pollution may face such problems as finding space to build treatment facilities. Older plants operate on profit margins so narrow that waste treatment costs may make it impossible for them to compete with newer, more efficient companies.

Although industry resists spending money for treatment works, recirculation equipment, or development of new processes that use less water, its stake in water pollution control is immense. Forecasts estimate that industry will require "80 per cent or more of the expected increase in total future water requirements and will account for 65 per cent or more of all fresh water used in 1980 and 2000." (U.S. Senate Select Committee on National Water Resources, Water Quality Management, Committee Print No. 24, Feb., 1960). By building adequate facilities for waste treatment, industry may also acquire more modern plants, better equipment and replacements for obsolete processes.

Aware that both clean water and public patience are running out, some companies are ending their indiscriminate waste disposal. The new Kimberly-Clark pulp and paper plant on the Sacramento River in California, for example, has invested large sums to prevent pollution. U.S. Steel publicly states that it has invested over \$200 million in facilities for water and air pollution control in the past 15 years. In an industry-wide effort in 1965, companies which together produce more than 90 per cent of all detergents sold in the United States changed over from a persistent-pollutant cleansing ingredient to a substance which decomposes in the presence of oxygen. (*Facts & Issues*, The League of Women Voters, Nov., 1965).

Unfortunately, these supposedly harmless inorganic substances "are themselves converted to organic materials by the green plants . . . in the aquatic biological system and thereby totally frustrate the initial aim of the treatment process," Professor Barry Commoner of Washington University told a Senate Committee in April, 1969. According to the Manufacturing Chemists Association (MCA), the chemical industry's research spending for water pollution control doubled between 1962 and 1967. To explain this growing investment in waste treatment, MCA president George H. Decker said that "the chemical companies, like other industries, have truly taken to heart the critical challenge of maintaining the natural environment. . . ." (*Chemical & Engineering News*, Mar. 10, 1969). A large part of this challenge derives from pressure by scientists, government and the public to stop industry's incessant and deadly pollution. Tightened federal and state pollution control efforts, particularly, have destroyed the concept of an "inherent right to pollute" public waters.

FEDERAL AID

The first permanent Federal Water Pollution Control Act was passed in 1956, awarding grants to municipalities for improving or building sewage treatment works. Industries that joined with municipalities in cooperative projects could also benefit from federal aid. During the program's first decade, the Federal contribution was more than billion dollars. The clean water program

was greatly expanded with the Water Quality Act of 1965 and the Clean Water Restoration Act of 1966, which called for all states to establish water quality standards. The Act also authorized construction, research and development grants, training and information activities.

In hopes of encouraging industry to comply with the standards, the Federal Water Pollution Control Administration (FWPCA) is studying possible incentives for building treatment facilities. Some suggestions under consideration are investment tax credit, loans and loan guarantees, and accelerated depreciation. The last would allow a company to deduct the entire cost of water pollution control equipment over one to three years rather than over twenty. Massive Federal financial assistance is unlikely; a professional staff member of the Senate Committee on Public Works predicts, "As long as we are in Vietnam, and as long as there is a budgetary squeeze, industry will not be given any tax incentives." Instead, punitive actions to halt polluting may be in the offing, including levies based on the quantity of waste discharged and the cost of downstream treatment. Proponents of this idea think management would choose waste-reducing changes if they cost less than effluent charges. (*Facts & Issues*, Apr., 1966).

CAN THE HARM BE UNDONE?

The FWPCA and the Bureau of the Budget are considering a national inventory of industrial waste disposal for which industry would voluntarily submit information. Industry claims that "to place in the public record the names and quantities of discharged waste materials or descriptions of treatment methods would, in many cases, be tantamount to disclosing a company's secrets to its competitors." (*Facts & Issues*, Nov., 1965) But without such information, FWPCA's Commissioner suggests, there can be no effective water pollution control.

Even complete cooperation between industry and government is not enough to clean up our waterways or prevent further pollution. According to FWPCA, it would require at least \$26 billion to be spent by 1973 to get the nation's lakes and streams up to water quality standards. But in 1969 the government authorized only \$214 million for water pollution control, and in 1970 the figure is less than a billion, pitifully inadequate to save water systems that are aquatic wastelands filled with rotting algae and fish, devoid of oxygen, dangerous to man. Immediate outlays of large sums of money and energy are needed. Unless the careless and costly destruction that has transformed our lakes into cesspools, our streams into sewers, is quickly reversed, the price of clean water may become too high to pay.

THE FEDERAL RESPONSIBILITY TO THE ELDERLY MEXICAN AMERICAN

Mr. YARBOROUGH. Mr. President, the Senate Special Committee on Aging has been assigned the duty of making "a full and complete study and investigation of any and all matters pertaining to problems and opportunities of older people."

That study and investigation would not be complete if elderly members of minority groups were ignored or given scant attention. For that reason, at the request of the committee chairman, I have conducted 7 days of hearings on the "Usefulness and Availability of Federal Programs and Services to Elderly Mexican Americans."

Much useful testimony has been taken in the field: in Los Angeles, Calif., and in El Paso and San Antonio, Tex. We

have also heard from Federal officials and from representatives of national organizations of Mexican Americans in Washington, D.C.

It has become all too clear that many of the elderly Mexican Americans—probably the majority—suffer from what has been described as triple jeopardy: they are poor, they are old, they belong to an unheard and unseen minority.

And in too many cases they are underserved by Federal programs and services. The hearings have revealed examples of elderly men and women who give up all hope of obtaining medical service or public-supported housing, for example, because of language difficulties or other problems. Too often, those most in need of help are least likely to receive it. In addition, there is too often a tendency to study and restudy longstanding problems instead of dealing with them.

At our hearings on November 20, for example, we were told that the Social Security Administration is waiting until 1970 to begin a study of medicare utilization among elderly Mexican Americans. I expressed my surprise at this delay and I pointed out examples—from testimony taken 11 months ago—of problems encountered by the elderly Mexican American when he attempts to exercise his right of medicare coverage. I still do not understand why this study is still in the planning stages, and why it must wait until 1970 for implementation.

Another disturbing problem arises when Federal and local officials are content to remain blind to the existence of poor and isolated individuals who need their help. Again and again during the hearings we have heard from witnesses who have firsthand information about neglect caused by unawareness, or unwillingness on the part of officials to reach out and provide the assistance they are required, by law, to give.

This point was made forcefully on November 21, by Mr. Henry Santiestevan, a member of the board of directors for the Southwest Council of La Raza. He said:

In my opinion, the most significant recommendation that I can make to improve Federal programs for the Mexican-American aged is a forceful policy of aggressive outreach and advocacy incorporated as part of all relevant programs. There can be no substitute for this approach. The Mexican-American elderly, as you have learned, simply are not aware of the existence of these programs. You have heard repeatedly in your past hearings that there seems to be a pattern of exclusion rather than inclusion of the Mexican-American elderly in programs at the local level.

This outreach and advocacy function can best be accomplished by bilingual Mexican-Americans. No pamphlet or public service television announcement can be a substitute for this.

Several other witnesses have offered worthwhile suggestions, and there have been several encouraging signs of increasing responsiveness in Federal examples. For example, Mrs. Marie McGuire of the Department of Housing and Urban Development gave an excellent statement on attempts within that department to make housing more appropriate and available for the elderly Mexican American.

Nevertheless, the committee study on the Mexican-American aging is not yet complete. More information—and more prodding—are required.

Some idea of the magnitude of the job ahead was provided in two excellent statements taken at our last hearing. I submit them now for the reprinting in this RECORD, and I once again thank Mr. William Bechill, former Commissioner of the Administration on Aging, for an excellent discussion of the root causes of the many problems encountered by the elderly Mexican Americans. The other statement was provided by Mr. Dennis Fargas, until recently the Director of the Office of Spanish-Surnamed Americans at the Department of Health, Education, and Welfare. He is to be commended for many of the points he raised, but I wish to draw special attention to the arguments he gives for providing technical assistance intended to help those who wish to make good use of Federal programs and services. As Mr. Fargas points out, the art of "grantsmanship" is intricate and understandable only to the specialist. Unless technical help is provided, the Federal grant is not likely to be given where the need is most desperate.

I ask unanimous consent that my opening statements before the Special Committee on Aging on November 20, 1969, as well as the statements of Mr. William Bechill and Mr. Dennis Fargas, be printed in the RECORD.

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

OPENING STATEMENT BY HONORABLE RALPH YARBOROUGH, HEARINGS ON "THE USEFULNESS AND AVAILABILITY OF FEDERAL PROGRAMS AND SERVICES TO ELDERLY MEXICAN-AMERICANS" BY THE U.S. SENATE SPECIAL COMMITTEE ON AGING

Today the United States Senate Special Committee on Aging begins two more days of hearings on "The Usefulness and Availability of Federal Programs and Services to Elderly Mexican-Americans."

Our fundamental purpose is to provide an opportunity for members of the new Administration to give up-to-date information on several Federal programs and goals discussed at our last hearing in January.

In addition, we will also ask questions about the future intentions of the present Administration on matters of vital concern in this inquiry.

Each witness has, I believe, been provided with the printed transcripts of our earlier hearings.

We began with field hearings on these questions last December in Los Angeles, California; and held hearings also in El Paso and San Antonio, Texas.

Our two additional days of hearings in Washington early this year provided the Committee with an opportunity to check our grassroots testimony against the official reports of Federal agencies.

To some extent, the testimony here in Washington was heartening.

We heard expressions of concern and commitment. We learned of promising, if limited, efforts to reach out and make Federal services or programs more accessible to those who stand in greatest need of them but who are too often denied them because of language problems and other difficulties.

But it was clear, too, that much more concern and much more effective commitment is needed.

Among the questions, therefore, that I have today are the following:

—What more has been done since January to hire and train bilingual field personnel who can counsel and help elderly Mexican-Americans on such matters as Social Security coverage, housing, health care, and the like?

—What more has been done since January to establish, within our Federal departments and agencies, a communication and specialist network capable of dealing more effectively with needs of all Mexican-Americans, including the elderly.

—What more has been done since January to cope with the special problems of those elderly Mexican-Americans who stand in need of housing and do not now receive help from any Federally-assisted program?

—What more has been done since January to resolve problems along the Mexican-United States border that are of direct concern to the elderly Mexican-American, including a high incidence of tuberculosis in some areas?

—And finally, what dialogue exists between the present Administration and the leaders of Mexican-American organizations?

We have a great deal of testimony to take, and I will defer additional comment until later. We will hear first from representatives of the Department of Health, Education, and Welfare.

STATEMENT OF WILLIAM BECHILL, ASSOCIATE PROFESSOR, SCHOOL OF SOCIAL WORK, UNIVERSITY OF MARYLAND

Mr. Chairman and members of the Committee: My name is William Bechill. I am Associate Professor and Chairman of the Social Policy Sequence of the University of Maryland School of Social Work.

From October, 1965, until April of this year, I was the Commissioner on Aging in the Department of Health, Education, and Welfare. During that period of time, I had the opportunity to be associated with the early years of the implementation of the Older Americans Act of 1965.

At the outset of my remarks, I want to commend the Committee for scheduling this hearing before completing its study of the subject under consideration today. I believe that it is especially important for you to have the views of the current Administration on the policies and program priorities which they believe are required to meet the serious needs of the Mexican-American elderly which have been identified in the Committee's study to date.

In many respects, the new Administration is in a favorable position to effect some basic changes as the result of recent administrative and legislative action that has taken place to strengthen federal programs for the aging. First, with the passage of the Older Americans Act Amendments of 1969, the Congress has authorized a significant expansion of the Act that should result in more comprehensive coverage and programs of community services and opportunities for older people, provided, of course, that the present budget available to the Administration on Aging is increased commensurately with Congressional intent in future years.

Second, the appointment by the President of Commissioner John Martin as Special Assistant to the President on Aging, is another significant step since some of the issues raised in previous hearings could possibly be more effectively dealt with through improved coordination and joint action and planning efforts on the part of various Federal agencies and departments whose benefits and services are available to the Mexican-American elderly. Like many others, I was especially glad to see early evidence of such joint programming brought about by Commissioner Martin in his additional role. I am referring, in particular, to the joint program announced in August between the Model Cities Administration of HUD and the Administration on Aging to increase the technical and financial

assistance available to plan and develop services for older people in the Model Cities program and to more directly involve older people in the planning of such services.

In earlier testimony, I recommended several administrative and legislative actions that should be considered by the Committee in behalf of the elderly Mexican-American, as well as all older people generally. In the light of developments that have taken place since January, I would like to elaborate on some of my earlier recommendations.

FULL IMPLEMENTATION OF THE OLDER AMERICANS ACT AMENDMENTS OF 1969

The substantial expansion and extension of the Older Americans Act authorized by the Congress this year could be the key to both improved availability and access of federal programs for the aging to the older Mexican-American as well as other groups of older people who may not have benefited to the extent proportionate to their needs from the programs of the Act to date.

One of the several objectives of this legislation was to strengthen the ability of State commissions and agencies on aging in the levels of both financial and technical assistance given to local communities in the development of their programs. Substantial increases in the authorization levels for community projects, research and demonstration grants, and training grants were authorized. And, most significantly, the Administration on Aging was given the responsibility for developing a national program to enlist the talents of interested older people as either volunteers or as Foster Grandparents.

The great and potential promise of this legislation will be difficult for the Administration on Aging and the States to carry out unless there is an equal commitment by the Congress, and by the Administration, to fund the new legislation at the authorization levels currently provided for under the Act as amended.

If full funding were to be made available, and if appropriate attention were given to the unique needs of the Mexican-American and other minority group elderly in program implementation, I believe that, in time, the present barriers to the involvement and participation of Spanish-speaking communities and in the program could be removed, if not eliminated altogether.

If there is one area that these hearings have documented, Mr. Chairman, it is the need for both additional technical assistance, as well as financial assistance, being made available to communities and areas of a State which have a particularly high concentration of older people of Mexican-American descent. Many of these people are now culturally blocked from any tangible access to the present program and its resources for helping them because of this general lack of technical assistance being made available to them to the degree needed.

These remarks are not intended, in any way, to be critical of the present work or present efforts of the Administration on Aging. During my service with the Administration on Aging, I was acutely aware of the deficiencies that existed at both the federal and state level in the area of technical assistance. I am talking here specifically having the type of personnel and staff at both federal and state levels that could work with Spanish-speaking people in the development of community programs, demonstration projects, or training programs aimed at bringing the kinds of opportunities and services to the Mexican-American elderly that are so urgently needed at the present time.

SPECIALLY TRAINED PERSONNEL

Another area which my earlier testimony covered, Mr. Chairman, was the need for training of personnel who are working with the older Mexican-American. One of the last grants which I approved as Commissioner was a grant for short-term training to the

Western Center of Los Angeles to carry out a sensitivity training program involving professionals, older Mexican-Americans, and other staff people of neighborhood organizations indigenous to the Mexican-American community.

While I have not been appraised of the results of this project, I hope that it is given very careful evaluation in terms of its usefulness as a possible prototype for use elsewhere in similar training efforts.

I link technical assistance and the subject of training together for obvious reasons. The failure of many federal and state programs to reach the Mexican-American elderly indicates that there has often been a lack of creative efforts to develop policies, strategies, and approaches to reach this population. The issues of the use of Spanish-speaking staff, training of staff in cultural differences, more aggressive "reach out" approaches to the delivery of services, utilization of the indigenous leadership and organizations in the Mexican-American community, dissemination of information in channels normally used by Spanish-speaking people underscore this need for special training programs, going beyond the initial pilot grant made to the Western Center. It would be my hope that such short-term training, directed at the special needs of the elderly Mexican-American and other minority groups in the older population could become a permanent feature of both the Title III and Title V grant programs of the Act.

EXPANDED NUTRITION AND FOOD SERVICES

I, of course, want to mention the area of nutrition and health. I was most impressed with the excellent statement submitted by Commissioner Martin on this subject in his recent testimony before Senate Select Committee on Nutrition and Human Needs. In it, he raised the important policy question of whether or not the time had not come for the nation to develop a broad program of food and nutrition services for older people in much the same manner that the present school lunch program has been developed for a large part of its child population.

Mr. Chairman, and members of the Committee, the evidence is beginning to accumulate, from the National Nutrition Survey and other studies, to illustrate the shocking incidence of hunger and malnutrition that exists in the United States among the poor, the young, and the old. Currently, the Senate has passed legislation that would particularly move towards the type of national program that Commissioner Martin alluded to in his testimony before the McGovern Committee. As I understand the provisions of the Senate version of the Food Stamp Act Amendments of 1969, the bill would liberalize the present eligibility requirements for the program, expand the program's coverage to additional numbers of low income persons and families, but permit older people to receive meals in exchange for food stamps as such facilities as senior centers and other kinds of community facilities serving older people. I sincerely hope this legislation is enacted this year. It could be a most important new resource to help the Mexican-American elderly.

Moreover, I would urge the Committee to encourage the Administration on Aging and the Department of Health, Education, and Welfare to consider the development of a proposal to establish a national Older Americans Food Service Program for presentation to the Congress next year. I am sure that such a program would be well received in all parts of the nation, especially if it were designed to utilize the experience and interest of older people themselves in its administration and actual implementation.

STRENGTHENING THE INCOME SECURITY OF OLDER PEOPLE

Last January, in my statement, I recommended substantial improvements in Social Security be made as well as consideration of

either a 100 per cent federal financed Old Age Assistance program or strong federal standards to insure a more equitable and adequate program of Old Age Assistance. At that time, I was deliberately general since it was the last week of the previous Administration, and the President had made it clear to his appointees that no major policy pronouncements were to be made that were not already included in the Budget Message, a decision which all of us respected. However, I am under no such restraints today.

As my final point, Mr. Chairman, I think the most important recommendation that the Committee could make is to endorse the provisions of the bills introduced by Senator Harrison Williams of New Jersey in the Senate, Congressman Jacob Gilbert of New York in the House, and other members of the Congress for the most comprehensive improvements in Social Security that have ever been seriously proposed in either House in many years.

The Williams and the Gilbert bill would authorize an overall increase of over fifty per cent in the present level of social security benefits over a period of four years, increase the present minimum benefit to \$120 by January, 1972; provide for automatic cost of living increases of at least 3 per cent beginning in 1973, place the medical insurance program of Medicare on a prepayment basis, and make many other significant improvements in the Social Security and Medicare programs.

The enactment of such legislation by the Congress would be a massive blow against the poverty experienced not only by a high percentage of Mexican-American elderly, but also would be a major step in the virtual elimination of poverty among older people of our nation in the decade ahead.

Such a step is long overdue. Our national goal should be remove older people out of poverty as fast as possible. As the richest nation in the world, we must adopt a more enlightened social policy towards the income position of the aged in our nation. I think we need to approach this objective with new policies, new ideas, and new proposals, but even more significant, a new commitment of national will to abolish poverty among the old in our nation for all time. Unless we take such steps now, we shall continue to see the unpleasant and unnecessary economic hardships that now rob too many older Americans of even a modicum of self respect and human dignity.

Thank you.

STATEMENT BEFORE SENATE SPECIAL COMMITTEE ON AGING BY MR. DENNIS FARGAS

I was delighted, Senator, to receive an invitation to come back and testify as I was initially delighted to testify on the first occasion. It is very important, Senator, that you carry on this task because you certainly have by virtue of last year's hearings highlighted the problems which few of us have had the opportunity to work on at the Federal level in Washington. It is very important that you continue the task of alerting the bureaucracy in general of the existence of this specific group and of their special needs. I would like to again congratulate you, Senator, for your efforts on behalf of the Mexican-American.

Last year you recall, Senator, I came to you as a unique representative of the efforts of the previous Administration to reach out to the Mexican-American community and to the Puerto Rican community. I am proud to tell you, Senator, that this present Administration saw fit to continue the existence of the Office for the Spanish Surnamed Americans within the Department of Health, Education, and Welfare. I was very happy to see this happen because at least it meant that the initial effort would continue.

At the time that I directed the office, and

as I indicated to you in previous testimony, bureaucracy of the Department of Health, Education and Welfare an awareness of the my key concern was to develop within the existence of the Mexican-American and second a clear understanding of the specific problems that affected this community.

In terms of the aged I worked with Commissioner Bechill first of all to develop that training grant which you have made reference to. It was to have been an initial step towards the establishment of a model senior citizen center in Los Angeles possibly to cater to the exclusive problems of the Spanish-speaking. A proposal for the establishment of such a center was developed in cooperation with the Mexican-American Opportunities Foundation. The proposal was forwarded over my signature to Commissioner Martin.

So, sir, we did follow up on the training grant by developing a proposal for the establishment of such a model center and we did forward it to the Commissioner for action.

Question: When was that proposal sent?

Mr. FARGAS. The proposal was sent to Commissioner Martin during the month of February.

Question: What response have you received?

Mr. FARGAS. I did not receive a response while I remained in the position which I held.

Question: When did you leave that position?

Mr. FARGAS. I left that position at the end of October.

Question: October?

Mr. FARGAS. Yes.

Question: And you had received no reply?

Mr. FARGAS. That is correct.

Senator MURPHY. When did Martin come into office?

Mr. FARGAS. Sir, I believe that he was able to arrive and take possession of his office in May, I am not certain.

Senator MURPHY. Thank you. In other words, you had directed this to Martin I think you said in February.

Mr. FARGAS. Yes, sir.

Senator MURPHY. How did you know that he was going to be in charge?

Mr. FARGAS. Because we were told that he was going to be the gentleman.

Senator MURPHY. Who told you that?

Mr. FARGAS. I beg your pardon?

Senator MURPHY. Who told you that?

Mr. FARGAS. Well, other officials in the Department indicated that Mr. Martin would indeed succeed.

Senator MURPHY. Officials that had been in the Department indicated that he would be selected?

Mr. FARGAS. Yes, sir.

Senator MURPHY. I am interested in this. Being the senior Senator from the State I am usually told about these things and I did not hear about it until much later than February. I am always interested to know how the officials in the Departments always seem to know things that we who have the responsibility never get to know except by chance.

Mr. FARGAS. Well, that, sir, is not of course a matter that is of my incumbency. I can only indicate to you—

Senator MURPHY. It is of interest to me.

Mr. FARGAS. We were alerted to the fact that this gentleman was going to come, and therefore since I had received the proposal from Los Angeles I forwarded it to his office.

Senator MURPHY. If many of these Departments could be as clairvoyant and active in setting up good programs as knowing who is going to have these top jobs, we would have a lot less of these problems hanging over us today.

Mr. FARGAS. Senator Murphy, I can assure you that I did not participate in that process and I am no longer with the Department.

Senator YARBOROUGH. Senator Murphy, when I hear all these attacks on the Congress I shudder to think of what the Government would be like if it was not for the elected representatives coming from the people and bringing these messages straight from the people. I am out with them all the time and learning what conditions are all the time. We have a vast bureaucracy of three and a half million people employed by the Government and a handful elected by the people. Frankly, I don't get it in my office, I get that only when I go out among the people.

Senator MURPHY. I think what we need is a Senate Bureau of Investigation.

Mr. FARGAS. I would like to, if I may—
Senator MURPHY. Mr. Chairman, I will personally call Martin and find out and let your office know exactly what the status is and what is happening.

Senator YARBOROUGH. I will leave that up to you, Senator, since that project, while it is of interest to all Mexican-Americans, it is in your state. If it were in San Antonio—

Senator MURPHY. Could you tell me the exact date of the project?

Mr. FARGAS. It is a proposal prepared by the Mexican-American Opportunity Foundation of Los Angeles, California.

Senator MURPHY. Who heads that up?

Mr. FARGAS. The name of the gentleman is Dionicio Morales.

As part of the close cooperation with Mr. Morales and our office, we moved forward to develop this proposal. The objective of the proposal, Senator, was to establish a model senior citizen center which would be developed specifically to respond to the needs of Spanish-speaking people. The idea, Senator, was to work out a template for such a center which could then with some modifications of course be utilized in New Jersey, in New York, in Connecticut, in Texas, in Arizona and other states where we find concentrations of Spanish-speaking populations.

Senator YARBOROUGH. Mr. Fargas, do you say that was the East Los Angeles area?

Mr. FARGAS. Yes.

Senator YARBOROUGH. If you have available copies, I would like to get a copy of that proposal.

Mr. FARGAS. I have not kept any for my personal use, Senator; they are in the files of the office.

Senator YARBOROUGH. I direct the staff to get copies from the files. If that is available, I would like to get one for west San Antonio and south El Paso.

Mr. FARGAS. This is just a model and the idea was to get one going so that we could then work out the bugs as you always have to and then move forward to use it elsewhere.

Senator YARBOROUGH. Fine. Thank you very much.

I want to congratulate you, Mr. Bechill, on this goal that you state in the closing paragraphs of your statement, pages 6 and 7 at the end, poverty of the elderly. I have a goal of ending poverty in America for everybody, but as you point out it is more critical among the elderly. Such a high percentage of people who are elderly are in poverty and a relief of their poverty would relieve funds that their children use to try to help their elders with to educate their own children. The generation that is caught between the desire to aid their parents and the duty of educating their children will have a wider range of economic and social effects, as you know from your great knowledge of social affairs and social work and sociology in just helping those elderly people. I think it will help the nation in many ways and for this bill that you mention.

Mr. BECHILL. Mr. Chairman, I think it would have a profound effect—

Senator YARBOROUGH. You had not concluded, Mr. Fargas?

Mr. FARGAS. Yes.

Mr. BECHILL. I just wanted to say I think that goal would have a profound effect not only on the old but on the young. Arnold Toynbee once said—

Senator YARBOROUGH. Who did you say?

Mr. BECHILL. The great historian of England once said, "You can measure a civilization by the treatment that it affords its elderly population as to its greatness." I think we have a way to go yet.

Senator YARBOROUGH. If they measure that way, we are not going to be too high on the totem pole.

Senator Murphy.

Senator MURPHY. I have no questions.

Senator YARBOROUGH. Does the staff have any questions?

Mr. Fargas, had you finished or did I interrupt you?

Mr. FARGAS. I wanted to pick up on the other theme I had also stressed in my previous presentation and that is the theme which has also been echoed in Mr. Bechill's testimony, the theme of technical assistance to those groups in our society which are not part of the establishment. During my previous testimony I indicated to you that I felt that frankly the Mexican-American is in no position in terms of resources or talent at this point in time to play the grantsmanship game which is really indispensable if one is really going to tap the resources of Government.

Federal funds, Senator, as I am sure you know, flow through channels which are carefully established and in such a way to favor those that already have knowledge, those that have talent to write proposals, those that know the right jargon to use. If you don't have these talents, if you don't have this expertise, you do not tap a great number of Federal programs. The establishment of up-grantsmanship at the Federal level is a very, very small step to take in terms of getting resources to the poor or to segments of our population which are not part of the mainstream. That is a fact.

The program which I attempted to get going in our Department was one where the regional offices of the Department would reach out to the Mexican-American and to the Puerto Rican in terms of providing these communities with technical assistance. The meeting which was cited by Mr. Cohen which took place in San Francisco on November 7 was one step along this direction. It was the first step in terms of getting regional office staff directly acquainted with a new constituency for them because the regional staffs of most of our Departments, Senator, cater to a very specific constituency, the bureaucracy of state agencies. They do not cater, they do not respond to, they do not have direct ties with the poor, the black, the Mexican-American, the Puerto Rican.

I feel that it is important that through the activities of your committee you push forward the idea that the staffs or regional offices of our major Departments concerned with social policy establish direct contacts with these populations; that they acquaint these populations with the administrative processes through which grants are obtained; that they then develop, if you will, traveling teams to go out to the communities and to afford these groups an understanding of the process of grant writing, of proposal writing.

I feel this is vital. If this does not occur, then we will continue the process of developing fine relationships between Federal bureaucracies and state bureaucracies, and we will not really reach the people that have to be touched by these programs. And no amount of record will solve that problem. It is a mechanical problem, Senator, but it is a key mechanical problem and without it we are not really going to bring Federal programs to the people that really need them.

Senator YARBOROUGH. That is where we politicians feel what we call the coils of the bureaucracy at times; we pass laws to get

something it ends up in what you have so beautifully described here as grantsmanship.

Mr. FARGAS. That is what it is.

Senator YARBOROUGH. I see that over in the field of education, the National Defense Education Act of 1958. One of the principal sponsors of the Act, since I see the colleges, that no grantsmanship won't get the money. Those colleges and universities that do not have an expertise in the grantsmanship rule—your Science Department was not big enough for this grant, always some rule that was not in on the know, as the political term is, it does not get a grant.

Mr. FARGAS. That is right.

Senator YARBOROUGH. I think you have very aptly described grantsmanship. One special purpose of this subcommittee on Mexican-Americans is to see that they are not bypassed in this economic division with the tax dollars because they are not experts at grantsmanship at the Washington linguistic level because it is a different lingo.

Mr. FARGAS. That is right.

Senator YARBOROUGH. I was thinking of this man Palmer that has been appointed by the Spanish-speaking people of Texas, educated in Mexico City. I wondered, how does he know how to talk Texan?

Mr. FARGAS. That is a good question.

Senator YARBOROUGH. I doubt that when he gets on the Mexico-Texas border they look at him and say, When did he arrive from Madrid; what does he know about it?

Mr. FARGAS. It is vital, Senator, that the officials of the regional offices of the various departments which are now concentrated in Dallas, which as you know is considerably north of the concentration of Mexican-Americans in your state, that they get to know the Rio Grande Valley like the palm of their hand. It is not enough for them to get on the Dallas-Houston shuttle every day and keep their political lines and bureaucratic lines in good shape. It is not enough for them to fly to Austin and keep in touch with the respective state officials connected with their bureaucratic work. If they don't get to the Rio Grande Valley, they are not going to get acquainted with the problem of hunger or TB and to respond to the fact that Mexican-American women have the highest rate of cervical cancer in the United States.

Senator YARBOROUGH. You leave that volatile valley for two weeks and you have lost it, it changes. I hope to be down there next Sunday and Monday.

Mr. FARGAS. So these are some of the questions, Senator, I am delighted that I have had an opportunity to expound on because if you do not do it by virtue of your concern with the elderly through the Special Committee, by virtue of your position in other committees of the Senate, if you do not exercise pressure to have the bureaucracy understand that aside from getting the legislative mandate to administer the program, it also has to have a mandate to teach people how to make use of the program, then you are correct in saying that legislation can come out and the problem really won't be solved.

Thank you, Senator.

Senator YARBOROUGH. Thank you very much for this very able and moving presentation that will help us so much.

Mr. Bechill, your statement will be in the record and will receive the attention of the Special Committee on Aging as well as the Federal agents but that is too limited readership. I plan to place this in the Congressional Record within the next week, maybe today or tomorrow—if not, then next week—and that gives it a circulation of something like 27,000 copies or something. The Congressional Record, as you know, is examined by every governmental agency usually every morning. It goes to the principal libraries of the United States and all the main colleges for relevant material and sent out to other places. So by placing it in the Congressional Record, that is not a daily newspaper but

it goes to the people in America who are best informed about these problems or are seeking information about them.

If your fine paper were in writing, Mr. Fargas, where I could get my hands on it that way I would send yours out, too. I think that I will borrow your remark about grantsmanship and use it, Mr. Fargas. I don't want to spoil it. Somebody using some of _____'s material said, "How rightly he appropriates another man's wit, how he spoils what he steals." So I don't want to spoil this in appropriating it, but it is so good I am going to ask the reporter to extrapolate that and let me have a copy of your statement in that respect.

Thank you, gentlemen, very much. I know the staff will have a number of questions. Do you think we have time to ask them before noon?

We will submit those in writing. I see some urgent matters waiting. We will submit other questions in writing if you gentlemen have time to respond in your respective different positions. I think we can boil these questions down and we will submit them to you and ask you for your continued help and cooperation. I want to thank you for your past services. I don't think anything exceeds your statements here this morning. I hope that we can translate these recommendations into action and get information about what you have said out to enough people who have the will to act and to cause some action to be taken.

Thank you very much.

AMERICAN COMMITTEE FOR ASSISTANCE TO TUNISIA

Mr. KENNEDY. Mr. President, heavy rains in late September and early October caused serious floods in central and eastern Tunisia. Many thousands of homes were destroyed, some 300,000 persons were made homeless, and several hundred more lost their lives. In addition to this tragic human toll, the floods severely retarded Tunisia's development. Roads, bridges, and various installations were destroyed or heavily damaged. It is estimated the catastrophe will take some 4 to 5 years to remedy.

Reports indicate that the international community, including our own Government, have responded very well to the urgent appeals of the Tunisian Government for assistance. So, too, have private individuals and organizations. A group of distinguished Americans were in Tunisia at the time of the floods, attending the African-American dialogs sponsored by the African-American Institute. They immediately organized a relief committee, and over the last couple of months have enlisted the support of many of their fellow citizens. Mrs. Arthur B. Krim is the executive secretary of the American Committee for Assistance to Tunisia. Mrs. Krim and the others who took the initiative to organize the committee deserve high tribute and the good will of all Americans.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the members of the American Committee for Assistance to Tunisia, a background memorandum prepared by the Committee, a recent press release issued by the Embassy of Tunisia, and a recent article from the New York Times.

There being no objection, the items

were ordered to be printed in the RECORD, as follows:

MEMBERS OF THE AMERICAN COMMITTEE FOR ASSISTANCE TO TUNISIA

Mr. Andre O. Backar, First Vice President, Shearson, Hammill & Company, Inc., New York, New York.

Mr. Edgar M. Bronfman, President, Joseph E. Seagram & Sons, New York, New York.

Senator Edward Brooke, U.S. Senate, Washington, D.C.

Congressman John Culver, House of Representatives, Washington, D.C.

Congressman Charles C. Diggs, Jr., House of Representatives, Washington, D.C.

Mr. Frank Ferrari, Vice President for External Relations, African-American Institute, New York, New York.

Mr. Wayne Fredericks, Vice President, Ford Foundation, New York, New York.

Justice Arthur J. Goldberg, Paul Weiss, Goldberg, Rifkin, Wharton & Garrison, New York, New York.

Honorable Ernest A. Gross, Curtis-Mallet, Prevost, Colt & Mosle, New York, New York.

Dr. Charles V. Hamilton, Professor of Government, Columbia University, New York, New York.

Honorable Paul Hoffman, Administrator, Development Program—United Nations, New York, New York.

Mrs. Jane Jacqz, Corporate Secretary, African-American Institute, New York, New York.

Senator Jacob K. Javits, U.S. Senate, Washington, D.C.

Senator Edward M. Kennedy, U.S. Senate, Washington, D.C.

Dr. James Kirk, Vice President, African-American Institute, New York, New York.

Mr. Arthur B. Krim, Chairman of the Board, United Artists Corporation, New York, New York.

Mrs. Arthur B. Krim, Ph. D., Research Biologist, Executive Secretary, American Committee for Assistance to Tunisia, New York, New York.

Honorable David Lillenthal, Chairman & Chief Executive, Development and Resources Corporation, New York, New York.

Mr. George N. Lindsay, Partner, Debevoise, Plimpton, Lyons & Gates, New York, New York.

Mr. Ian S. Michie, Vice President, Chase Manhattan Bank, New York, New York.

Mr. Bill Moyers, Publisher, Newsday, New York, New York.

Honorable Robert Murphy, Chairman of the Board—Former Under Secretary of State, Corning Glass International, New York, New York.

Mr. Waldemar A. Nielsen, President, African-American Institute, New York, New York.

Honorable Christopher Phillips, U.S. Mission to the United Nations, New York, New York.

Honorable Ogden R. Reid, Congressman, House of Representatives, Washington, D.C.

Mr. David Rockefeller, Chairman of the Board, Chase Manhattan Bank, New York, New York.

Honorable Dean Rusk, Former Secretary of State, Rockefeller Foundation, New York, New York.

Mr. Harvey Russell, Vice President, Pepsi-Cola Company, New York, New York.

Mr. Bayard Rustin, Executive Director, A. Philip Randolph Institute, New York, New York.

Mr. Jack Valenti, President, Motion Picture Association, Washington, D.C.

Mr. Whitney M. Young, Jr., Executive Director, National Urban League, New York, New York.

Mr. Osborn Elliott, Editor-in-Chief, Newsweek, New York, New York.

[From information compiled by American Embassy, Tunis, May 1969]

MEMORANDUM ON TUNISIA BACKGROUND INFORMATION

A. General political background

Tunisia is a republic with a strong executive form of government. It has a single political party, previously called the Neo-Destour ("New Constitution") and since 1964 called the Destourian Socialist Party. Habib Bourguiba was unanimously proclaimed President by the Constituent Assembly in 1957, then popularly elected in 1959, 1964, and again at the beginning of November 1969.

Tunisia was occupied by France in 1881. The Destour nationalist party was founded in 1920; Habib Bourguiba left it in 1934 to form the Neo-Destour Party which effectively organized the Tunisian people. After periods of repression during which Habib Bourguiba and his followers were repeatedly incarcerated, independence was won from France, March 20, 1956. France only evacuated its last troops from Bizerte in 1963. Economic ties with France have had ups and downs since independence, while the close cultural ties built up between the two countries during the protectorate period are still very strong. 3,000 French teachers are still there in secondary education and at the University.

Tunisian-United States Relations

Partly as a result of Tunisia's difficulties with France, Tunisian relations with the U.S. have become very important. As a result of Tunisia's moderation in foreign affairs, and its serious and well thought-out program for economic development, the U.S. has become the largest contributor to Tunisia's development program. However, Tunisia has not felt bound to follow American policy at every point, particularly in questions relating to European colonial interests.

Tunisian-Algerian Relations

Tunisia helped the Algerians in their struggle with valuable assistance.

Tunisia and the Arab League

From the very beginning, Tunisian relations with the Arab League have been troubled by disagreements with Gamel Abdul Nasser's U.A.R., disagreements which led to a first break in diplomatic relations between Tunisia and the U.A.R. in 1958. Nasser visited Tunisia in 1963, and Bourguiba Egypt in 1965. Immediately thereafter, differences of opinion arose on how to deal with the problems in the Middle East, and within a few months Tunisia withdrew from active participation in the Arab League's activities. Most diplomatic personnel were recalled from Iraq, Syria, and the U.A.R. Relations were formally broken again with the U.A.R. in 1966. In July 1967, after the Arab defeat in the June 1967 war Tunisia reestablished relations with the U.A.R. and the Arab League. In September 1968 the Tunisian Government decided to boycott all League activities, after the Tunisian representative to a League meeting was not allowed to challenge the U.A.R.'s claim to lead the Arab World.

Tunisia and Africa

Tunisia has taken a continuing interest in the continent's political, economic and social development. It played an important role in the U.N. effort in the Congo. It has welcomed and supported the creation of the O.A.U., (Organization of African Unity) and exercised a constructive influence within the organization in the interest of moderate and realistic policies.

International Problems

Tunisia's policies are motivated by its concern for its own security, and its belief in

self-determination and non-interference in the internal affairs of other nations. While maintaining a formally non-aligned posture, it often supports Western positions because it recognizes the threat posed to its principles by the communist powers. It has, however, not failed to criticize the West on appropriate occasions for remnants of colonialism, and has been a leader in the Third World on these matters.

B. General economic background, before the floods

1. Economic Indicators

Population estimated at 4,700,000.

GNP, \$1,086 million in 1968, at \$230 per capita. Compound annual growth rate, 5.5% in 1961-65 period. In 1966 and 1967, because of severe drought, no real growth; in 1968 growth was 7.3%.

National budget:

a. Revenues, \$244.3 million (22% of GNP).

b. Expenditures, \$345.2 million; 33 percent for investment of the total operating and capital expenditures; 25 percent for education; 9 percent for health; 6 percent for national defense.

Gap between revenues and expenditures was financed by foreign aid, domestic borrowing and/or drawing on reserves.

Balance of payments: Although a substantial portion of the deficit has been financed by foreign aid and private capital (mainly supplier credits) the uncovered balance has been financed by drawing on foreign exchange reserves, and increased short-term borrowing.

In 1968, the U.S. aid amounted to \$38 million, non-U.S. aid to \$53 million, and private capital to \$60 million.

Reserves: Gross foreign exchange reserves as to 1968, \$34 million. If short-term liabilities are deducted, net foreign reserves amounted to minus \$30 million.

2. Production and Trade

Agriculture: $\frac{3}{5}$ of the population is still in agriculture while it accounts only for $\frac{1}{3}$ of GNP. Main crops: olives, wheat, barley, grapes, citrus fruits, dates.

Minerals and fuel: Phosphates, crude petroleum and iron ore are the principal minerals exported.

Main industries: Concerned mainly with import substitutions: food processing, textiles, footwear, sugar refining, petroleum refining, and steel manufacturing. Two super-phosphate plants, two cement plants, foundries, and one petroleum refinery.

For export: Olive presses, wine distillers, fish and vegetable canneries.

Tourism, particularly from Western Europe, is developing rapidly as the major industry.

Foreign trade:

Exports: Phosphates, olive oil, citrus fruits, crude petroleum, vegetables, wine, iron ore, esparto grass and cork.

Imports: Wheat, petroleum products, iron and steel, agricultural and industrial machinery, sugar, textiles, pharmaceuticals and dairy products.

Trade with U.S.: In 1968: exports to U.S. \$2.8 million; imports from U.S. \$44.5 million. Trade with others: 35% of trade with France, 12% only with Eastern Europe.

Labor:

Total labor force—1.4 million (812,000 or 58% in agriculture).

Unemployment, about 20% ($\frac{3}{4}$ in agricultural sector).

Underemployment is also a serious problem in some sectors.

3. Economic philosophy

A pragmatic form of socialism has been chosen as the best means of mobilizing limited resources, and providing social services to the widest number of people. The government has acquired substantial or complete control over many enterprises whose charac-

ter is essentially that of a public service: railroads, road transportation companies, most electrical energy generating potential.

The country has adopted a *comprehensive planning system*, where the government manages and supervises the principal sectors of the economy. Before independence economic power rested principally, if not solely, in the hands of non-Tunisians. No strong indigenous private sector could develop within the economy, and the government has not always felt it possible to wait for private initiative. Economic development is the prime national objective and the population is continually exhorted to work for a more prosperous life for the nation and for themselves.

4. Current Economic Situation

Tunisia has a good record of economic growth, one of the highest in Africa, although it was under severe strain at the beginning of 1969, before the floods. Rapid investment since 1962 created some disequilibrium, which it attempts to correct by measures agreed to by the International Monetary Fund. Despite these measures, however, government operating expenses have continued to grow due to greater demands for social services in education and health. The balance of payments has worsened, because France nearly eliminated its wine imports from Tunisia in 1964 as a reprisal, when Tunisia expropriated land held by French "colons." Contributing to this situation were heavy imports of capital equipment generated by past investment programs, and a sharp increase in foreign debt servicing, due to extensive use of medium-term European supplier credits utilized to finance development. A severe drought, which cut back agricultural production in 1966 and 1967 made this situation even more acute. The need for further external assistance to help Tunisia meet its balance of payments was urgent even before the floods.

Several favorable shifts in policies have occurred: improved control and management of public enterprises; more encouragement for private investment in tourism and industry, and greater attention given to the agricultural sector. A nation-wide, free, family-planning program is well underway.

5. Economic outlook before the 1969 floods

The short-term outlook seemed to call for a continued austerity program and continued attention to investment-financing problems. In the long run, however, the outlook for Tunisia eventually winning its struggle for development remained promising. The operation of several new industries to supply the local market (textiles, steel) started having its effect. The extensive effort to double the irrigated areas by 1972 would have made periods of drought less hazardous. Tourism was expected to grow. Exports of petroleum had an impact on the economy. Economic ties were being developed with the neighboring Maghreb countries and Tunisia had just signed an association agreement with the Common Market in March 1969. With its planning for the economic development of the country monitored by the World Bank (International Bank for Reconstruction and Development), the Government was making a promising effort towards facilitating investment in Tunisia.

THE TUNISIAN FLOOD DISASTER

On October 8, 1969, the Tunisian Government issued an urgent appeal for help to a startled world, describing its situation as follows:

"Ten out of thirteen provinces of Tunisia are disaster areas.

The spread of destruction due to floods is so extensive that the Tunisian resources to meet the demand are exhausted. Communications are out and contact is lost with many areas.

Water supplies in several cities and towns have been destroyed.

Many friendly countries and international organizations responded by sending useful contributions, but more help is needed."

On October 27, 1969, official Tunisian estimates of the disaster were:

Ten to 13 provinces disaster areas (93% of the territory);

More than 525 identified dead;

More than 160,000 homeless people;

More than 60,000 homes destroyed;

Four villages disappeared altogether;

Hundreds of miles of railroads destroyed;

Two hundred miles of roads disappeared;

Fifty-three bridges destroyed.

Two large dams breached.

Three other large dams damaged.

Eighteen factories completely inundated and out of use;

Due to flooded pits, complete interruption of activities in the mining industries, creating 20,000 more unemployed;

Date harvest completely destroyed;

Olive harvest completely destroyed;

Four-fifths of livestock lost in flooded areas;

Ploughing and sowing cannot be carried out this year;

Economic activities at a standstill;

Telecommunications completely disorganized; and

Distribution of relief food and medicines, possible only by helicopter.

On the same day the weather report in Tunisia was: "Heavy rainfall and storms over almost the entire country."

WHAT HAS HAPPENED?

(The following was written after personal inquiries and a survey of the flooded areas by helicopter on October 27, 1969).

Tunisia is usually a lovely, sunny country on an inviting green strip of coast between Algeria and Libya. Its long shore line was visited by Ulysses, settled by the Phoenicians who built proud Carthage there, conquered by the Romans, and many other peoples who had been seduced by its beautiful harbors and beaches, its clear and enchanting waters, and the dry mildness of its climate—typically Mediterranean in the North and Saharan in the South. At its North-East tip and in the central areas, Tunisia is a country of rolling hills on mountains covered with a sparse Mediterranean growth of trees and, as in all countries with a meagre rainfall, thin vegetation and very little top soil. Mostly rocky in the mountains, the soil is sandy in the valleys and plains, easily carried away by winds and heavy rains. The nature of the vegetation and the soil makes erosion a major problem in Tunisia, as in other countries with a similar climate. Over the centuries, farmers have painstakingly built retaining walls around their fields, planted hedges of cactus and agave, and constructed terraces on the slopes of hills; more recently, with substantial assistance from the U.S., heavy agricultural machinery has been brought in to contour-plow all agricultural lands situated on slopes, in order to prevent further erosion and retain the water from the rare rainfall. Dams and irrigation systems have also been constructed wherever possible over the last few years at a great cost (about \$6 million). Trees have been planted along hundreds of miles of roads to provide shade and to retain soil.

Typically, rainfall occurs in Tunisia in the winter for a short period of time. As in all semi-arid or arid lands, the rain water runs off rapidly from the rocky high points into dry river beds called "ouadis" (the equivalent of the "creeks" of our own West) which, within minutes, may become torrents of fast flowing water. Bridges have to be built solidly over ouadis for roads and railways, which must often span the whole width of a flat valley. Any plant or building located at a low point is at the mercy of occasional and short lived flood waters. The coastal plains

are wide and flat and agriculturally the most productive.

Towards the end of September 1969, rain began to fall, heavily from the start. Following two years of severe drought, it was more violent than at any time in recorded Tunisian history; for instance, 2 Roman bridges, which had stood for almost 2000 years, collapsed. Within hours, ouadis filled up and tons of water and mud spilled out over anything standing in their path. People ran from their houses, towards safety on higher ground, abandoning their cattle and very modest possessions. From the very start of what was later to become a major national disaster, death or complete loss of property began to be the fate of thousands of industrious Tunisians.

Day in and day out, for almost two months, rain continued to fall heavily in different parts of the country; at times, over the whole of it, including Tunis, the capital, as well as the deserts in the South and parts of Algeria and Lybia.

The ouadis never emptied and their angry waters broke bridges and roads, uprooting electricity and telephone poles. Millions of tons of mud and dirt pouring out of old and new torrent beds turned yellow the formerly blue Mediterranean, for miles out to sea.

Fertile plains became expanses of muddy water, several feet deep, in which treacherous new gullies were formed, whose violent currents swept away to their death people and cattle trying to escape. Where they are still standing, telephone poles, from which the wires have been ripped off can be seen, looking only a few feet high as they emerge from the mud; formerly green fields are deeply buried; trees barely emerge or are else uprooted and dead; the terraces on the green hills have been broken wide open, with their stones spilled out over hundreds of yards.

The houses of farmers, traditionally built of an "adobe" type material, once thoroughly soaked, have collapsed under their own weight; like forgotten sand castles, they remain deserted, little piles of crumbling sand in the rising tide. Where it has not buried them altogether, the flow of mud has eroded the foundations of the roads: long stretches of concrete and asphalt road beds are now either suspended in mid-air or else have collapsed into fragments, looking like a giant jigsaw puzzle whose pieces are often scattered over large areas among smashed trees, agricultural machinery, cars and carts which happened to be on the roads when they gave way.

In the low lands, the roads have simply disappeared beneath the mud, their former presence revealed only by some twisted or torn road sign or wooden pole, still emerging from the mud.

Two railroad lines of vital importance to the country connected Sfax (where phosphate is mined) to Gafsa (where it is processed for export) and Jerissa to Bizerte, for the transport of iron ore. These deposits are the only mineral resources of the country and the phosphate its main item for export. The railroad lines are the life line of the country's economy. Pilots working on rescue missions told me that the railroads have been so heavily damaged that for miles they have just ceased to exist. Twenty major railroad bridges have been destroyed; in places, only twisted, ghost-like pieces of black steel emerge, apparently from deep ground or, look like loose fragments, swimming in a sea of mud; altogether hundreds of miles of railroad track have literally disappeared.

The most difficult thing to visualize for those who have not seen the Tunisian disaster at first hand, is the sheer magnitude of the areas hit by the disaster: from a helicopter flying at the height of a thousand feet we could look all around us—where a rich agricultural plain used to be—and see as far as the eye could reach only muddy water, either stagnant and silent as death,

or rushing to the sea with angry ripples and swirls: in those, some shapeless dark object would bob up from time to time: tangled remnants of bushes and trees, a dead animal or a human body? . . .

A fertile coastal plain, lovingly cultivated in neat rectangular, irrigated green fields as recently as a few weeks ago, now looks like unreclaimed parts of the Zuyder Zee: the outline of the fields can still be seen, but each is filled with yellow water, while the whole area is isolated, like an island, from the mainlands, all its roads, bridges and irrigation lines broken down.

Hergla, a white jewel of a little town on a high promontory, that formerly looked out proudly over the blue sea to the East, and over green rolling fields to the West, is now an island in a yellow sea. Mud is choking Hergla, cut from the mainland and left without drinking water. Sousse, also isolated on its hills, was famous until recently for its terraced gardens overlooking the sea. It still seems to be linked remotely to the land by the disconnected sections of its water supply line, zig-zagging haphazardly over soft yellow mud. A town of about 40,000 people, it is still without drinking water since it is impossible for heavy machinery to reach it, or for people to cross what has become miles of quicksand.

All the major Tunisian cities have been cut off from surrounding areas at one time or another, some for weeks. Only helicopters can find dry spots large enough on which to land and evacuate the starving and the sick. The day we left Tunisia, a Minister of State who wanted to visit Monastir, another coastal city, had to cancel his trip, because the last possible helicopter landing site had just been flooded. On his first mission, Major Robert McDougal, a U.S.A.F. helicopter pilot distributing U.S. emergency food relief, successfully landed his Huey in the square of an isolated village: he found himself immediately surrounded by a small pitiful crowd, frantically pounding at his machine, ripping its doors open and grabbing whatever was movable inside, including radio equipment. They had been without food for two weeks: seven children and two adults had died of hunger, and most of the survivors were suffering from food poisoning as a result of eating the raw flesh of their drowned sheep and goats. Helicopters now first ball out food from high up before landing to rescue the sick and dying.

To find the people to be rescued is a problem. Throughout our flight we saw hundreds of abandoned houses . . . or were there starving despairing people inside? We saw clusters of people standing on high ridges, on the walls of their wells filled with mud, waving at us; thousands of them. Those who still can call and wave are probably not the worst off.

In a country with no extensive communications network to start with, no television and few radios, the destruction of the telephone lines has totally disrupted communications. It is therefore extremely difficult to arrive at any estimate of the loss in lives and property. Maps are in many cases useless to pilots, as the very geography of the country has changed; the landmarks provided by rivers, roads and villages have totally disappeared in many places. The modest dried-mud house of a small Tunisian farmer, suited to a dry climate because it is cool in the summer and warm in the winter, disappears in the fury of the elements almost without a trace. Its inhabitants—if they were lucky—now may be huddling with countless others in some surviving stronger structure: the mosque or the cement built schoolhouse, waiting around modest fires for the helicopters to find them, or finally for the waters to recede . . . When?

While fires and earthquakes strike suddenly and constitute a mortal danger, recovery from their horrors can start as soon as

they are over, whereas the horrors of floods linger on. After the food and the blankets have been dropped, after the doctors have come and inoculated all the crouching, desolate bodies against typhoid fever and flown off again, the water is still there, as well as the treacherous mud and the new clouds in the sky, now, not expected to leave for another month. The latest news is that new rainfall is expected.

Emergency help has been provided by several countries including our own—\$1 million voted by Congress, and the release of wheat and other staple foods stocked in Tunisia for ongoing Aid programs, Private emergency relief agencies like CARE, the American National Red Cross, Project HOPE, Catholic Relief Services, and the Joint Distribution Committee have all reacted quickly to the acute immediate distress.

But who will help Tunisia when reconstruction must begin, in a country that has no financial reserves, in which the very basis of the economy—its few mines, its agriculture and the beauty of its land—have all been destroyed?

We, who know what happened, and what is at stake, feel we must help. We believe that many more Americans will also want to help the Tunisian people rebuild their country. We still have a few weeks to get ready to do so, for then we can work with the glorious Tunisian spirit and the will of the Tunisian people to recreate the hope to a future they have so cruelly and unjustly lost.

AIMS OF THE AMERICAN COMMITTEE OF ASSISTANCE TO TUNISIA

Because of the scale of the assistance needed by Tunisia to reconstruct its economy, the major part of such assistance will have to come from governments and international organizations, through grants and easy long-term loans. However, an important part can be played by an American Committee from the private sector:

1. We can raise a meaningful, though limited, amount of funds towards a definite project—this to be defined specifically in our forthcoming meetings. Such funds can be forwarded as tax-exempt contributions to a designated account to be set up for this purpose by the African-American Institute, a private non-profit educational organization, incorporated in the District of Columbia.

2. We can approach certain industries who might be able to contribute gifts in kind which would be extremely helpful. Examples are machinery, pipes, communication equipment, construction materials etc.

3. We can stimulate the interest of private sources of support, particularly voluntary relief organizations, in the present Tunisian situation and possibly persuade them to extend their help beyond the present crisis, into the reconstruction phase.

4. We can help to encourage the Congress and Government's Agencies to extend generous assistance to Tunisia.

5. We can encourage the media to report and interpret the consequences of the Tunisian disaster to the American public more adequately than they have done so far.

6. The existence of an American Committee will be viewed in Tunisia as a symbol of people to people friendship and solidarity, and so will strengthen good relations between the Tunisian and American peoples.

[Press release from the Embassy of Tunisia, Washington, D.C.]

TUNISIA FLOOD RELIEF

Three days of heavy rain at the end of September caused serious floods in Central and Eastern Tunisia. Other rainstorms on October 6th and 7th brought additional flooding and problems to Tunisia. Thus continuing rains have worsened the situation, turning ten out of the thirteen provinces of Tunisia into disaster areas.

People were stranded in trees and on roof tops requiring rescue; public buildings and mosques are being used for shelter. Last reports indicated 425 deaths, 100,000 people homeless, and 37,000 houses destroyed.

The spread of destruction is so extensive that Tunisian resources to meet the demands are exhausted. Communications are cut and contact with many areas has disappeared.

Preliminary estimates are: 125 miles of roads destroyed; 25 highways bridges washed away; 20 railway bridges destroyed—loss of railroad lines led to the shut down of the mining industry (phosphates and iron-ore) and caused work-stoppage for almost 20,000 workers. Estimated cost of restoring the road and rail lines is 5 to 6 million dollars.

There has been severe damage to the telegraph and telephone systems. To reestablish the shortwave network will cost an estimated \$700,000.

Moreover, water supplies in several cities and towns are threatened. This catastrophe may take 4 to 5 years to remedy; the Tunisian Government is making an urgent appeal to the international community for immediate assistance.

Following this appeal, many friendly countries and international organizations responded by sending useful contributions. But more help is still needed, mainly of a financial nature.

EXCHANGE OF MESSAGES BETWEEN PRESIDENT NIXON AND PRESIDENT BOURGUIBA

DEAR MR. PRESIDENT: I am very sorry to read of the disastrous floods which hit Tunisia over the past weekend. I extend my personal sympathy and that of the American people to you and the thousands of victims of these floods.

Ambassador Calhoun has informed me of the extensive and well organized relief efforts in progress. We send our earnest wishes for a rapid recovery. With warm personal regards,

RICHARD NIXON.

President Bourguiba replied by the following message:

DEAR MR. PRESIDENT: I was deeply moved by your kind message of concern following the serious flooding in Tunisia at the end of September.

I know how much you and the American people sympathize with Tunisia, and I express to you my gratitude for all your assistance during this emergency.

I avail myself of this opportunity to convey to you, Mr. President, my most sincere feelings and the assurance of my highest consideration.

HABIB BOURGUIBA,
President of Tunisia.

[From the New York Times, Dec. 5, 1969] FLOOD-STRICKEN TUNISIA FACES A 5-YEAR RECOVERY TASK

TUNIS, December 4.—After weeks of nearly constant rain and floods, Tunisia is facing a recovery task that is expected to take at least five years and cost more than \$40-million.

In some places the rainfall, between Sept. 24 and the end of November, totaled more than eight and a half inches a day. It left behind new lakes, and cut new rivers through the central regions of the country. Olive trees, one of Tunisia's sparse natural resources and the livelihood of many of her people, were uprooted and carried away.

But despite the picture of desolation and disaster left by the retreating waters, Tunisia has not been plunged into chaos. Her immediate appeal for help met with a prompt response from her North African neighbors, most European countries and the United States, which carried the biggest burden of aid beyond the \$40-million the Tunisians expect to pay.

RIVER BECOMES A TORRENT

French, Moroccan, West German and United States helicopters have been flying

relief supplies and anti-typhoid vaccine to disaster areas. Teams of engineers from Belgium, France, Spain and West Germany began the task of re-establishing communications; repairs to 125 miles of highways and 60 miles of railroad track are under way.

The Zeroud River, which even in winter is little more than a modest stream in central Tunisia, became a torrent, more than a half mile wide and 40 feet deep. Experts estimated that it had a bigger instantaneous flow than the Rhone in France and Switzerland after the melting of the winter snows. Near the Islamic city of Kairouan, the river left its shallow bed, normally a few hundred yards wide, and became a 10-mile-wide expanse of raging floodwater that swept away all before it.

In the Plain of Kairouan, two other streams, the Merguelli and the Nebhana, were transformed beyond recognition with the same disastrous effects. Concrete blocks weighing about 100 tons each were torn out of wrecked bridges and hurled 50 to 100 yards downstream.

BRIDGES WASHED AWAY

Nearly 30 rail and road bridges were washed away. In the worst-hit area of Sousse, artesian wells and water-supply pipes are in urgent need of repair. Muddy rivers invaded villages and towns in the south, engulfing livestock. Dwellings crumbled, leaving 542 dead and some 300,000 people without shelter. Most Tunisian industries have been at a standstill since the beginning of the floods. The export of phosphates, Tunisia's chief earner of currency, was interrupted because of damaged railway track.

The railroad, which carries phosphates from the mines of the Gafs a region to the port of Sfax, is being repaired by French engineers to enable the earliest possible resumption of phosphate exports. The repairs seem to be proceeding in record time, as the officials of the southern region are to announce shortly the completion of the task.

In the Sousse region, Spanish teams are building a bridge across the Zeroud at Sidi Bou Ali, a small town that suffered more than any other area. The Dutch are undertaking the rehabilitation of mud-filled artesian wells and the Sousse water supply.

The people of Kairouan and adjoining villages, which had been cut off from the rest of the country at the onset of the floods, have been kept alive by the uninterrupted flow of supplies and vaccine by the United States Navy and Army helicopters. Their crews told of the human suffering they witnessed on the hazardous missions.

WOMEN IN DESPAIR

A member of one Navy helicopter crew said: "Down below a handful of people were gesticulating to attract our attention. We lowered the craft; we could clearly see women tearing their clothes and scratching their faces in despair. We dropped our supplies. People scrambled and fought for food like a pack of hungry wolves."

Another crew was forced to land on a railroad track, slightly denting the rear of the helicopter, to unload food supplies to about 20 Tunisian peasants who had taken refuge from the muddy river on the track and had been without food for four days.

Members of the United States Embassy staff in Tunis worked around the clock on the relief program. Supplies of blankets, food and vaccine were flown to Tunisia immediately. One million dollars was donated for the construction of emergency bridges in the north.

Medical teams from the hospital ship Hope, anchored in the Tunis harbor, went to the Sousse and Sfax areas to vaccinate the population. So far no cases of typhoid have been reported.

The World Food Program, an organization affiliated with the United Nations, has undertaken to feed 100,000 refugees for the next six months. Food, blankets and donations in

money continue to arrive from many countries.

One expression of sympathy for the victims of the floods came from the children of United States servicemen at the Wheelus air base in Libya. They sent 500 pounds of candy for the children of Kairouan.

THE PROBLEM OF HUNGER

Mr. SMITH of Illinois. Mr. President, at a time when the country is devoting a vast amount of resources to landing on the moon and to resolving the Vietnam conflict, it is essential not to lose sight of the many other pressing priorities facing the Nation and the entire world. One of the most pervasive of these is the problem of human hunger. Considerable attention has been directed toward this by Congress, and President Nixon recently held the Nation's first White House Conference on Food, Nutrition, and Health.

I find it most significant that ways in which to solve the hunger problem are not only being given attention here in Washington, but also by young people all over the United States. During the past year, several Walks for Development have been held around the country to raise funds for the fight against human malnutrition and starvation.

Mr. President, I ask unanimous consent to have printed in the RECORD an article, published in the September issue of Good Housekeeping, which shows the enthusiastic acceptance for these walks in my State of Illinois.

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

THEY WALK TO FEED THE HUNGRY

(By Charles and Bonnie Remsberg)

Just the day before, 3,000 young people had invaded tiny Zap, North Dakota. In a drunken orgy of window-smashing and fire-setting, they had roamed the streets and left the helpless village in shambles.

Now, more than 800 miles away, the early Sunday-morning stillness found some 5,000 teen-agers massed on a high school football field in the tranquil Chicago suburb of Villa Park, Illinois.

Tense excitement cracked through the crowd as speakers shouted from a platform to deafening cheers. Suddenly, the mob broke from the field and surged into the street. Those in the lead were running. Filling the pavement curb-to-curb, the teens headed for a middle-class residential section, where many families were still asleep.

Gleefully, a handsome eighteen-year-old named Chuck Steinbach, the driving force behind the youthful throng, leaped to the platform for a better view. "My God!" he shouted. "There's no stopping them now." For, as far as he could see, a mighty human river rolled resolutely forward. . . .

Startled homeowners who stumbled, still in nightclothes to their picture windows may have felt apprehensive at first. But before that day last May was over, adults in Villa Park and surrounding communities realized that these young people stood in sharp contrast to their peers at Zap and other sites of recent adolescent destructiveness. Instead of hell-raising, these teenagers were on a "Walk for Development" peacefully giving their energy to help fight widespread and growing human hunger.

Such walks began in this country about a year ago, under the auspices of the American

Freedom from Hunger Foundation in Washington, D.C., a private, nonprofit organization supported by leaders in business, labor, social welfare, agriculture and education. Since then, an estimated 150,000 largely-middle-class young people, from 35 communities, ranging in size from Aurora, Iowa (population 600) to Los Angeles, have turned their "sole power" into dollars for the needy.

Each walker recruits "sponsors" to pay him, from a few cents to several dollars, for every mile he hikes over a charted 26- to 32-mile course. So the youngsters not only draw public attention to the problem of hunger but earn hard cash for a variety of imaginative self-help anti-poverty projects in the United States and abroad. Thus far, youthful walkers have raised almost \$1,000,000, with more walks scheduled for this fall.

Although the Foundation offers some basic guidelines for conducting a walk, the teens themselves handle the detailed planning, organizing and problem solving. They learn firsthand how to cope successfully with the adult system, from slow-moving city governments to vicious extremist groups. And in the end, they have the satisfaction of having helped bring meaningful change to a world they never made.

Their efforts are heroic. In hilly Duluth, Minnesota, thousands of boys and girls trudged a 29-mile route through snow and cold, and in Palm Springs they struggled along in broiling desert heat. In San Diego, a blind student ran the full course with his hand on the shoulder of a high school track star. In Eugene, Oregon, a girl went 24 miles in the rain—in a wheelchair. In each of the cities, youngsters have stumbled wearily across the finish line with feet blistered and bleeding from hours of walking. "I couldn't stop until I finished," a thirteen-year-old girl in Fargo, North Dakota, told Leonard Wolf, the Foundation's executive director. "I felt I was carrying a starving baby in my arms, and if I quit the baby would die."

"There are still some beautiful, beautiful kids in this country," says Wolf. "They have a purity of concern that's not all cluttered up with the attitude, 'What's in it for me?'"

Soon after he came to the Foundation early last year, Wolf, 43, a former congressman from Iowa and one-time director of the U.S. Food for Peace program in Brazil, began pushing the idea of the walks. The method had been used successfully in recent years to mobilize youth in Canada and England, and Wolf, who has three children ranging in age from eleven to eighteen, recognized its genius: There is enough challenge and off-beat adventure in the sponsored-walker concept to attract vast hordes of teen-agers; solicitation of neighbors, businessmen and relatives as sponsors, publicity and the sight of the peaceful marchers helps draw the attention of uninformed or apathetic adults to the pressing problem of hunger. Because the proceeds go almost wholly to projects attacking the root causes of hunger and poverty, the young walkers make a positive social contribution to a troubled world in which they so often feel only helpless.

Under the plan Wolf drew up, fifteen percent of the money raised in each walk goes to the Foundation to help finance educational campaigns on the hunger problem. The rest is divided evenly between foreign and domestic projects. Although the young organizers choose their own projects to support, the Foundation requires that the programs involve the poor themselves. "Rather than just sending carloads of food," explains Wolf, "we believe in the proverb, 'Give a man a fish and he eats for a day, show him how to fish and he eats for a lifetime.'" To be certain the money is used wisely, the projects submit proposed budgets to the Foundation and are audited regularly.

Thirty-five hundred young people, some with dozens of paying sponsors, stepped off on the Foundation's first walk in Fargo, September 28, 1968. Six hundred and forty-nine

staggered across the finish line 32 miles later, some with the soles of their feet blistered solid. The combined group raised \$23,530 for an Indian nutrition education program in North Dakota and a rural youth-training center in Dahomey, West Africa.

"I came away from Fargo fully committed to the walk approach," says Wolf. "In terms of young people moving a community, it was a lot more effective than a bunch of busted heads."

In subsequent walks in sixteen states, from \$3,800 to \$85,000 has been raised to benefit projects that range in nature from consumer education for Mexican-Americans in Texas to the immunization of farm animals against diseases in South Korea.

The Villa Park, Illinois, walk was started by high school senior Chuck Steinbach. The son of a television repairman, Chuck is a soft-spoken young man with sideburns and a Bobby Kennedy mop of brown hair, a mind keen enough to put him on the dean's list, and a personal magnetism that made him student-council president at Villa Park's sprawling Willowbrook High School. Although he grew up amidst the flowering trees and comfortable homes of Chicago's western suburbs, he has what friends call "exceptional sensitivity" for the less fortunate. "When Chuck looks at a picture of a starving kid in Biafra," says Richard Cargill, the student council's faculty adviser, "I think he feels the hunger."

During the summer of 1968, with Biafra much in the headlines, Chuck grew increasingly aware of hunger as a mounting world crisis. He read expert predictions that within the next three decades, as the world's population doubles, millions will die of famine. Already seven persons every minute are dying worldwide from malnutrition and starvation, and one child in three now living will carry for life the irreversible effects of food deficiencies. Even in the United States, the most affluent nation on the globe, government researchers estimate that at least 10,000,000 impoverished men, women and children suffer from inadequate diets. [A detailed report, *America's Hungry Families*, by the Remsbergs, appeared in the October, 1968, issue of GOOD HOUSEKEEPING.] "I could see that hunger is linked to a whole range of social problems—war, racism, political chaos, poverty," Chuck recalls. "But like most other people, I didn't see how I could help."

Then at a church youth conference, he heard about the Foundation's walks. Curious, he drove to Madison, Wisconsin, and on November 16 joined in one with 5,500 other hiking youngsters.

"It was one of the most moving experiences of my life," he remembers. One participant was an eighteen-year-old boy with a birth deformity that forces him to walk on the sides of his feet. After seventeen miles in rain and sleet, his mother begged him to drop out, but he told her, "I've got a job to do, Mom, and I haven't done it." By 9 P.M., the rain had turned to snow. All the other youngsters had quit or finished, but the boy trudged on alone. At 10:10—fourteen hours after he began—he crossed the 32-mile finish line and fell exhausted into his mother's arms. He had earned about \$15 to help train Wisconsin Indians to grow and market wild rice and to buy irrigation pumps for a poor farmers' cooperative in Ecuador.

By early last February, Chuck Steinbach had formed a "core committee" of thirteen enthusiastic students from eleven suburban high schools and colleges to organize a Walk for Development in Villa Park and adjacent communities.

On the surface, the group seemed almost hopelessly diverse. One was a boy who spent nearly all his spare time at the library; a few had been involved in such activities as voluntarily tutoring ghetto children; several were style- and popularity-conscious

youngsters whose main interests were parties and school-sponsored events, and another was a boy who had compiled one of the worst disciplinary records at his high school.

All, however, were committed to a single philosophy. Explains Tom McDermott, a freshman at Elmhurst College: "We wanted to show other students that it's possible to help improve society without being disruptive and destructive. And we wanted to wake up the adult community to the problem of hunger and to communicate that kids can be responsible when given a chance to do something meaningful."

With May 11, Mother's Day, agreed upon as the walk date, the committee began attacking the problems of organization, coordination and troubleshooting, all the while scrambling to stay abreast of school obligations and part-time jobs.

From the Foundation, they obtained a long list of carefully researched foreign self-help projects needing assistance. They chose two to help: an institute in Lucknow, India, that teaches young farmers literacy and new agricultural methods, and a center in Biafra which is establishing a weaving industry for displaced persons. As part of their learning process, however, committee members themselves were to ferret out deserving domestic projects.

For more than two months, a subcommittee headed by Jan Wallinder, seventeen, followed leads supplied by social agencies, church groups and antipoverty organizations in the Chicago area. To their surprise, they discovered that hidden among the affluence of their own DuPage County (where, in Chuck's words, "Most of us equate hunger with not having a second dessert") was considerable hard-core poverty. Census statistics revealed that at least 4,300 families in the county fall below the poverty line, including some who live nineteen to a two-bedroom apartment or who exist on beans and bread in flooded basements and rat-run shacks.

Certain that publicity about such need so close to home would shock the uninformed, Jan and her group kept digging until they discovered a newly formed organization called Project HOPE. It had been started by concerned citizens in nearby Wheaton to buy and rehabilitate homes with volunteer funds and rent them cheaply to welfare mothers and their children. Then, through personal counseling from HOPE members, families could learn to utilize their own talents and resources to shake off the yoke of poverty.

As the second domestic beneficiary, the committee chose the Delta Ministry, an interfaith program aimed at making unemployed Mississippi field-workers economically self-sufficient.

As word of the walk spread, students from more than eighteen high schools and six colleges from throughout the western suburbs wanted to join in, so schools chairman Tom McDermott took on the massive job of organizing sub-core committees in each school to handle publicity and walker registration. Other committee members tracked down amateur radio operators and rescue squads to operate a communications network on the day of the walk. Still others persuaded adults to man the thirteen checkpoints that would be set up every few miles along the route where sponsor cards could be stamped to show the mileage covered. In addition, there were hundreds of "Sole Power" lapel buttons to be made and sold to cover organizing costs; press releases to be written and news conferences conducted; speaking engagements about world hunger to be lined up during a whirlwind visit by Wolf and a United Nations food expert; bank accounts to be opened; tax receipts to be distributed to contributing sponsors; toilet and food facilities for 5,000 to 10,000 walkers to be arranged.

Just laying out the 30-mile route mushroomed into a logistics nightmare. Chuck

and route chairman Jill Feldmann, seventeen, spent hours driving suburban streets before settling on a course that began and ended at Willowbrook High School and twisted through five suburbs. They spent long nights poring over law books to be certain that their plans conformed with village ordinances because, as Chuck explains, "The idea was to work within the law and walk within the law." They appeared before village boards to explain their cause and persuade city officials to grant parade permits, and then they had to confer with police officials to coordinate manpower deployment and traffic control for the walk day.

Not everything went perfectly, however. "We were always fighting the fear people have of kids," Jill says. "It seems that when they think of students getting together these days, they usually think of riots." Also, the teens discovered, in some suburban areas many persons still oppose efforts to aid the poor and the sending of money overseas. Policies at some schools prohibited publicizing walk plans. Trustees on one village board delayed nearly a month before finally granting a walk permit; another town refused to okay the solicitation of sponsors. When the committee wrote to 150 area churches asking for help in making sandwiches for the walk and in spreading information about world hunger, only twenty responded. "Some kids who had never been involved in anything before were discouraged by all the doors that closed," says nineteen-year-old Cathy Johnston, who served as Chuck's co-coordinator. "But they learned to keep going until they found doors that opened."

By the time the walk was just ten days off, students were eagerly pursuing sponsors. Enthusiasm was high.

Then trouble surfaced that made earlier problems seem like minor annoyances.

Right-wing elements in the western suburbs suddenly began issuing a barrage of false accusations. The Foundation was a Communist front, the extremists charged, and the teen-agers were trying to "undermine a fundamental American institution" by hiking on Mother's Day. Some of the proceeds would be pocketed by the kids instead of being given to the poor, some opponents asserted, and the Foundation would keep at least 65 percent of the money raised. One critic even saw evidence of a diabolical plot in the fact that the line of walkers would temporarily block off residential driveways. A "newsletter," filled with innuendo and insinuation, was widely distributed and a telephone campaign was launched to urge parents to withdraw permission for their children to walk and sponsors to cancel their pledges.

"After all their work, the kids were pretty shook at first," recalls Mrs. Linda Eller, a suburban youth leader. "But they realized they had a responsibility to fulfill, and in the face of this intense hostility they forged ahead."

On the Friday night before Mother's Day, the committee held mass sandwich-making parties with bread, cheese and peanut butter donated by local businesses. Saturday they put up route markers and tied up scores of loose ends. That night, Chuck was so exhausted he couldn't sleep. "All that work," he kept thinking, "and tomorrow is it."

Mother's Day dawned to a cloudless sky, and by 6 A.M. young people were starting to gather on Willowbrook's grounds. While kids in hippie garb and blacks with Afro hairdos milled together with girls in bell-bottoms and sandals and boys with hiking boots and knapsacks. Kids whose parents had dropped them off in expensive cars stood talking to a boy who had walked in from Aurora, Illinois, 25 miles away. Whole families, including grandparents, stood hand in hand. Many teens had brought younger brothers and sisters. Ministers who were sponsored by their

congregations, and teachers sponsored by their students, arrived to walk. One boy flashed sponsor cards bearing almost 250 names. High school track teams and college fraternities and sororities had challenged each other, and some carried hand-lettered signs reading, "30 miles on a dare, show the world how much you care." A young woman in a wheelchair and two retarded youths waited quietly for the walk to begin.

By eight o'clock, a crowd of more than 5,000 filled the school's athletic field. When core committee member Jay Lyons climbed onto a platform and shouted, "How many are going 30 today?" the responding cheer was ear-splitting.

Then a state legislator began calling out the names of schools represented. The mob was fired into action. The six track teams broke from their positions and ran into the street, with the walkers surging after them. The Walk for Development was under way.

After the initial two and one-half miles, the curb-to-curb tide of walkers reached the first checkpoint. As they swarmed around the tables where volunteers from women's clubs and civic organizations were stamping sponsor cards, the committee presented a daisy to each mother among the walkers.

By the third checkpoint, three and one-half miles away on the shore of a lake in suburban Glen Ellyn, the dropout rate was beginning to show. Relays of "toe trucks" were picking up those who could not continue, and the thinned line kept mostly on sidewalks now. Men in radio communications cars estimated that the walk stretched for more than six miles.

By the lake, many youngsters, already blistered, tied their shoes around their necks and went barefoot. A father led his two sons in leg relaxing exercises. One eager hiker, an eight-year-old girl, admitted, "This sure gets my feet sore. But," she grinned, "I'll keep going 'cause I'm worth 70 cents a mile."

It was nearly noon when the trickle of walkers arriving at the fourth checkpoint, nine miles along the route in Wheaton, swelled to a stream. Hundreds of sandwiches were served out of new garbage cans, taped with signs that said: "We're walking because some people still have to eat from these." The walkers, many limping with pain, slumped wearily to the ground to eat. A volunteer nurse applied bandages to blistered feet.

Slowly the sky darkened, and a cool rain began. Still the walkers pushed ahead.

On the way to checkpoint six, a middle-aged housewife opened her home as a rest-room stop. By early afternoon, 150 kids an hour were trooping into her two bathrooms. "It's a wonderful way to spend Mother's Day," she declared. "We can all learn something from these kids. They're showing the good that can come if every person just does what he can on every need he meets."

At checkpoint eight, ten miles from the finish line, a rock band was on hand to boost morale. But, one hiker observed as he bandaged his numb and bleeding feet, "We're on automatic pilot now. The only thing that keeps us going is sheer will."

"Kids didn't even want to stop to rest," co-coordinator Cathy Johnston remembers, "because they knew their legs would tighten up and they wouldn't be able to walk." Along the way, grade-school children who wanted to help set up free water and fruit juice stands.

The track teams, running the full course, had arrived back at Willowbrook before one o'clock. At five, the rain over, walkers started limping in. Many had worn through their shoes and the soles of their socks.

After eight, as darkness fell and the temperature dropped, Chuck dispatched trucks to pick up those walkers still on the route. Not one would accept a ride.

The last walkers reached the edge of the school grounds at nine. Some students were carrying others whose legs had given out. One father was in the group with his seven-

year-old son, and the eight-year-old girl with "sore feet," whose older sister had dropped out earlier, had walked the distance. One teen-age girl crossed the finish line and collapsed, sobbing, "I made it, I made it!"

That evening, the school had been rented to an adult theater group. As one of the playgoers arrived, he looked disdainfully around at the exhausted young people sprawled in his path. "Why don't you get these kids out of here?" he complained to officials. "People are coming here to see a drama."

It never struck him that his statement was the ultimate in irony.

In all, in this area where in Chuck's words, "people get in their cars to go across the street to the mailbox," 1,800 youngsters had crossed the finish line.

In the days that followed, the walkers hobbled back to their sponsors, displayed their stamped cards and collected more than \$60,000.

Even more important than the money, potentially, was the human concern the walk had awakened. Some adults, alerted for the first time to poverty in DuPage County, are working to establish branches of Project HOPE in their own communities. Teachers are beginning to integrate studies of world hunger and the effects of malnutrition into their courses. Teen-agers are looking for other ways they can help combat poverty, and Chuck Steinbach and his committee are drafting a list of projects in the Chicago area that need volunteer aid. "There is a lot that Americans can do," says Bill Kokontis, a student from Maryknoll Seminary. "We have a lot of wealth—not just money, but healthy people with energy who can think and work."

Other towns, too, have found walks to be the catalysts for a wide variety of community involvement. In Eugene, Oregon, the mayor was so impressed with the responsibility of young people that he established an active youth-advisory council to his office. In Minneapolis, school curricula have been changed to deal more realistically with poverty and other social issues. In Buffalo, adult leaders have laid plans for working with teen-agers on a full range of community projects. In Denver and other cities, some teens, because of their walk experiences, have decided to pursue careers that deal with social problems.

At the next-to-last checkpoint on the Villa Park walk, a long-haired girl sat bandaging her feet.

"Do you think we're going to make it?" her boy friend asked.

"Of course we're going to make it," she answered. "I've got a feeling we're going to make it for a long time to come. Maybe tomorrow is going to be better after all."

SPIRO AND THE BROADCASTERS

Mr. MOSS. Mr. President, the Vice President's recent attacks on the national news media have brought a varied response from numerous sources. One reply which was of special interest to me was an editorial by KSL radio and television in Salt Lake City.

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:

SPIRO AND THE BROADCASTERS

Vice-President Spiro Agnew Thursday night renewed his attacks on the news media. This time his target was newspapers which he said have grown "fat and irresponsible". Earlier the Vice President had levelled a blast at broadcast news coverage, which he characterized as "biased and distorted".

The Vice-President's remarks are frighten-

ing and dangerous because they imply, though he has disclaimed, a Government encroachment on the freedom of the press. Frank Angelo, Managing Editor of the Detroit Free Press and a Vice President himself—of Sigma Delta Chi—the national journalism fraternity, said Mr. Agnew's earlier speech "was one of the most shocking ever made by a public official because of the implied threat to freedom of reporting and commentary".

It seems from Mr. Agnew's quotes about what is fair comment and criticism that he does not understand the intent of the Constitution. The gentlemen who guaranteed the freedom of the press in the First Amendment of the Constitution were under no illusions about whether the press was always fair, just, unbiased, and undistorted. They knew all too well that it was not and could never be. Their conviction was that out of the welter of opinions, comments and criticisms which a free press permits, the truth will surface. And, as the English philosopher Mill put it, "who hath seen truth vanquished in a fair fight".

It seems to KSL that Thomas Jefferson said it best when he said that if he must choose between the tyranny of governments and the tyranny of the press, he would choose the tyranny of the press.

DEPARTMENT OF DEFENSE PUBLIC RELATIONS PROGRAMS

Mr. FULBRIGHT. Mr. President, last week the acting chairman of the Appropriations Committee assured the Senate that his committee would, in the coming year, take a close look at the Department of Defense public relations programs.

In the wake of a series of speeches I gave on this subject, I have received a number of letters—particularly from men in service or just out—which contain comments relevant to this matter. While protecting the identity of the authors, I should like to share their thoughts and suggestions with other Senators.

I ask unanimous consent that the items be printed in the RECORD.

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

HON. J. WILLIAM FULBRIGHT,
United States Senate,
Washington, D.C.

DEAR SIR: I have long believed that your instincts on the military establishment are among the soundest in Congress, and I am particularly gratified by your recent criticism of military spending for public relations.

Most Americans are unaware that they are the target of a ceaseless propaganda campaign waged by the largest advertising agency in the world. We know, of course, that Generals and other Pentagon officials engage in political activities, such as speaking before pro-war groups. But we do not realize that the U.S. military maintains an active, professional advertising department ("information" office) on every one of its thousands of installations around the world.

For two and one-half years of my recent term in the U.S. Air Force, I was assigned to one such "information" office, at Lackland AFB, Tex. Our mission was identical to that of any commercial advertising agency: to "push" our product (the Air Force) as hard as we could—to capitalize on its successes, and to conceal its blunders, creating a favorable public image of the Air Force.

The information office had a lavish budget and large staff (25 persons including well paid civilian employees, NCOs, and officers through the rank of colonel). All day, every day, our primary business was grinding out

"news" stories and features for daily and weekly newspapers, magazines, radio, and television. We also were active in other forms of public relations techniques such as taking visiting Congressmen and civic officials on "canned" tours of the base. The local news media were receptive to our efforts, which consisted largely of glorifying the Air Force role in Vietnam.

We were not concerned primarily with truth or accuracy (except in spelling the names of officers), and we were not adverse to releasing false information when advantageous to the Air Force. Even when we were not actually lying, however, our slanted stories were distortions of the truth. It was simply advertising.

Since my experience in the Air Force, I have often questioned the use of public funds for military advertising. In effect, the taxpayers are paying to have their own attitudes and opinions shaped by self-serving military leaders. By permitting the military to propagandize on such a massive scale, we allow generals not merely to implement national policy, but to formulate it.

If we must spend money for advertising, let us advertise the need for controls over environmental pollution, or the problem of starvation, or perhaps even peace. Please continue to press for a full investigation of military spending for advertising and public relations.

DECEMBER 2, 1969.

DEAR SENATOR FULBRIGHT: Being rather to the right of center politically I am pleased to report that an issue has come along on which we agree.

Today's paper report that you have declared war on the Pentagon's Public Information Program. In this effort I wish you the best of luck. I am doing so because I have twice served as an information officer against my will, when my only wish was to go forth in the jungle and fight the VC.

If you ask around at the unit level, at least in infantry outfits you will find that the information officer is usually someone like me who was shanghaied into the assignment and hates it. At least this was true of myself and my predecessors as information officer of the 5th Special Forces Group (Abn) in Vietnam. Both of us were constantly sneaking off on combat operations. He got away with it and I didn't.

I made the mistake of going into the A Shau valley with Project Delta and got two nerves and an artery shot out of my right arm. I could have stayed in the army with a waiver, but reflecting that my last twelve years of military service would have been spent captioning pictures of generals shaking hands with each other I elected to retire with my disability.

The especially painful thing about the Pentagon's PI program is that fully ninety percent of the money is spent to preen the ego of some jackass who desires promotion. I didn't join the army to do that kind of garbage and I don't know anybody else who did either.

I used to find it especially frustrating that I had twelve men, the exact number of an SF A Detachment, which normally runs six to nine hundred Vietnamese troops (excuse me, advises) and all we did was put out a monthly magazine in four colors. Presumably this boosted the morale of the troops, but it has been my experience that the last thing in the world the average Special Forces Trooper needed was to be told how good he was. We damn well knew we were good. It was a good enough little magazine and all that (Rep. Rivers, incidentally, gets a copy of it if you want to see one. It is called, naturally enough, the Green Beret (but I always wondered if it was worth the time and effort it took to publish it. It struck me that a magazine was excess fat which should be trimmed, rather like the officer's club.

In any case good luck in your effort. I'd kind of like to see the army quit congratulating itself and get it's collective ass back in the woods where it belongs.

SENATOR WILLIAM J. FULBRIGHT,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: As writer-researcher for the five DOD movie teams you are hoping to eliminate over here in Vietnam, I am of course very much concerned by your feeling that our movie submissions to U.S. television networks are propaganda in the guise of newfilms.

Since I got this job several months ago, I have traveled to various parts of South Vietnam to research dozens of film stories covering pacification, Vietnamization, joint U.S.-Vietnamese military operations, and highlights of U.S. military operations.

Is this propaganda? This is what is happening in the country. The progress is real. It is not being invented by either myself, the camera crews, or the cameras themselves. It is my conviction that the American people are not aware of the progress being made in Vietnamization, pacification, and nation-building simply because the day-to-day sweaty efforts being made to achieve these goals at grass-roots level, are NOT being shown by civilian press, radio, and TV outlets in the U.S.

Hence I was shocked by your belief that the efforts of our five movie teams to show these things is propaganda. Our Armed Forces, as you well know, have the mission of crushing Viet Cong and North Vietnamese forces in South Vietnam while assisting the country in the goal of getting on its own feet militarily. Yet you are saying that in documenting these things our movie teams are merely presenting the American people with propaganda!

How about humanitarian efforts by Americans to aid Vietnamese hamlets, orphanages, etc. . . . are films showing these things also propaganda? If so, then I plead guilty on behalf of the movie teams.

Certainly everything over here isn't peaches and cream. The Vietnamese aren't uniformly perfect, but neither are Americans. Are we, as DOD movie teams, supposed to be searching for foul-ups, corruption, mistakes, or backsliding to catch on film for the scrutiny of the American people?

Does the newspaper of any town in the U.S. concentrate on filling its pages with instances of crime to the exclusion of all progress being made in the community?

Sir, in 1948 about 90 percent of American newspaper publishers were against Truman in his re-election campaign. Nevertheless he was re-elected, and is now recognized as having been a great president. Today, I would guess that a majority of influential American radio, newspaper, magazine, and television owners and news officials are against the American effort in South Vietnam. It is just possible, however, that when the smoke and haze covering our current effort in Vietnam lifts, it will be seen that great things have indeed been accomplished over here, and the specter of a Communist takeover has been replaced by a workable democratic system doing a lot of good for a lot of people.

I can only interpret your desire to eliminate our teams as an effort to leave the coverage of news in Vietnam to agencies whose owners and managers are violently against our effort over here and whose one-side coverage of the Vietnam scene reflects that bias.

Civilian news agencies are NOT giving the American people anywhere near the full picture of day-to-day progress in the Allied effort over here, and as a journalist with twenty years' experience I consider this a blot on the profession, to state it very mildly.

This is why I'm so enthusiastic about what our movie teams are doing to show the real

over-all picture of the war, and why I was so shocked by your propaganda label.

If President Truman had been muzzled in 1948, and not allowed to state and illustrate his case, our country would have been denied a great president, since he would not have been re-elected, simply because the whole truth was kept back.

Sir, I cannot believe that you, standing at the pinnacle of our democratic system, want to hold back the whole truth from the American people. I would like to respectfully ask that you reconsider your position on these movie teams.

We have dozens and dozens of our films on file here, and if you can find any instances of phoniness, or smoke-screens, or twisting or slanting of the truth, it would come as an awful big surprise to me.

I am not speaking as a Johnny-come-lately, since I have been stationed in Vietnam for a total of more than 18 months.

P.S.—Having re-read these words, I would like to add just one thought more. Perhaps the full story of the Allied effort over here is not being told by the civilian media simply because bad news—sensationalism—makes hotter copy than day-to-day efforts at progress. That's a horribly irresponsible approach to news coverage.

DECEMBER 10, 1969.

Senator J. WILLIAM FULBRIGHT,
Senate Office Building,
U.S. Senate,
Washington, D.C.

MY DEAR MR. SENATOR: It is with some hesitation that I write to you, for in my 16 years of military service I have always believed that I should remain loyal to the service. During this last tour in Vietnam I have become more disenchanted with the military and the system and have decided to take my discharge as of this coming May.

Yesterday, I was informed of statements attributed to you with regard to the office that I am assigned. I have enclosed an article from the Pacific Stars and Stripes edition of December 9th, and a UPI release quoting your remarks. I would like to know if these remarks were quoted in context.

At present, I am the NCO in charge of the Air Force DOD Newsfilm Team that is providing many of the films that have been released to the major networks in the U.S. Although I may not wholly agree with your remarks, there is much validity in what you have said and it has been a constant battle for myself to try and change the style of the story we are providing. Our job here, could have a far reaching effect on the population of the U.S., if we were allowed to film the stories that should be filmed and after filming these stories, the powers to be in the Pentagon would allow such stories to be released.

To give you a specific instance with regard to propagandizing the war, about four months ago, while filming various jobs, we were advised to concentrate on the Vietnamese doing various jobs. Although I will readily admit that some Vietnamese are doing more, we are filming so much of the Vietnamese and what they are doing that it certainly would appear from looking at our stories, that the Vietnamese have taken the major share of the war as their own. This however is not the case, at least in my humble opinion. We are just showing them more, thereby making it look as though they are really working faster. If I believe your statements to be correct, then this is what you are referring to with regard to propaganda.

We here in Vietnam are continually faced with the struggle of having to find stories, film them under less than desirable conditions, furnish the written material, i.e., captions and cover stories, and then forward this material to the UPI Newsfilm office in Washington. It is there that the selection is made as to what will be used and what

will not be used and this selection is under the eye of a military liaison officer. We continually have stories rejected for the reason that they have no military involvement or that the story is not news worthy. Well, we are here and have to find the stories and I feel the decision as to what is used should emanate from here and not by someone who has been out of touch with reality for a period of time.

The blame however does not only lie in Washington, there is a great deal that should be placed squarely on the shoulders of the responsible individuals right here in Vietnam. Since being assigned to this job last May, I have constantly been arguing the fact that we are still responsible for showing the combat role of the U.S. soldier in Vietnam. To tell the true story of that man still living and dying in the field. I have only been able to get out on one semi-combat operation since that time. The roadblocks that have been thrown up on all sides are seemingly insurmountable. My first roadblock is the statement that filming combat is dangerous and there is no sense in the team going out and getting killed. Now, do I have to go on with other reasons for not being able to tell the true story. Oh, believe me Senator, there are many.

I would be most happy to provide you with any further information dealing with specific questions that you might have and also, as I intend to take my discharge from the service on the 4th of May, I would be most happy to visit with you in Washington at that time. I fully intended to visit Washington at that time anyway to tell a few people at UPI Newsfilm what I think of their operation. At that time also, I intend to begin writing a book on my experiences in Vietnam covering a period of three full years.

In 1962 and 1963, I was with the Army in almost the same capacity as I am at present, except that the films made at that time were solely for the use of the Army and not normally released to the public. I sincerely felt that we were justified in assisting the Vietnamese with their struggle, but since that time we have only helped to perpetuate the graft, corruption and mismanagement of the war.

In closing Senator, I would like to state that I have been informed, you will be receiving another letter from a member of our staff, who is a researcher for the office. Although this man is also a member of the Air Force, he lacks the experience in news filming and is primarily a writer. The stories that he researches fall right in line with the desired party line and he would never think to go against the establishment. When he told me that he had written to you, I asked to see a copy of his letter, but as is the case with this type individual, he said he had no copy of the letter and that he had already mailed it. To be sure Senator, anyone that desires to read my letter to you, will have that privilege, for I cannot say one thing to you and deny the other side the opportunity of reading what I have written.

I am enclosing release sheets of the stories that I have worked on while in this job and I feel that you will readily see the jobs are not very closely related to the actual conditions that presently exist in this country.

If I may be of further assistance to you Sir, please feel free to contact me at your convenience. I support your stand and hope that something beneficial will come from it. More hopefully that we will put an end to this conflict and the loss of American lives as well as those of our allies and also of the innocent people that are being killed and injured daily.

Very respectfully yours,

FULBRIGHT ASKS BUDGET CEILING ON DOD
PUBLICITY PROGRAMS

WASHINGTON.—Sen. J. William Fulbright, D-Ark., warning that "1984" was fast ap-

proaching, said that he would attempt to impose a \$10 million ceiling on Defense Department publicity programs when the \$70 billion defense appropriations bill is brought to the floor.

Fulbright said he also would introduce an amendment to abolish five service-funded camera crews operating in Vietnam to produce news stories on Vietnam.

"When unlimited resources are available to a government agency for selling forces, the public does not stand a chance," he said.

The chairman of the Senate Foreign Relations Committee charged that the Defense Department—with a public relations expenditure of at least \$27 million a year—was "engaged in a vast effort to sell the administration's Vietnam policy to the public, as it did to sell the Vietnam policy of the previous administration."

"This is only one step removed from using the public relations resources of the military establishment to rid the Congress of those who question executive branch policies," he said.

"If the present trend continues, '1984' may arrive long before the next 15 years have gone by."

In the novel "1984" by George Orwell, the government practices "thought control" over the population.

Fulbright also introduced a bill requiring semiannual reports to Congress on the Pentagon's public relations program, including a list of speeches, scripts, press releases and other material. The bill would require films and speeches dealing with a foreign country to be approved by the Secretary of State.

Fulbright devoted the last of four Senate speeches on what he called Pentagon "propaganda" to the Army's public information program.

He told the Senate the Army employed 442 servicemen and 170 civilians in fiscal 1969 on its public affairs programs, spending \$4.9 million.

In addition, he said the Army keeps a steady stream of military speakers before the public in an effort to give its special view of the world situation, and particularly the Vietnam war.

"Tonight, and for each night of the week, no less than seven Army speakers are appearing before public audiences, most of them to give the Army view of the war in Vietnam," he said.

"How can those of us who seek to challenge the administration, and thus the Army's position in this most important matter, complete with that array of speakers?" he asked.

Fulbright emphasized he was not talking about "muzzling the military."

"That issue was fought out years ago," he told the Senate.

"We are talking about military men using their position and their ability to travel around the country as a public relations tool designed to promote support of a political activity on which there is profound difference on opinion."

Fulbright said Congress removed the spending limitation on Pentagon public relations activities 10 years ago and since then the "military's spending on lobbying the public" had skyrocketed from \$2.7 million to \$27 million.

PENTAGON PROPAGANDA

WASHINGTON.—Sen. J. William Fulbright, D-Ark., urged Congress today to sharply prune a \$28 million Pentagon public relations program which he said is used to woo public support for fancy weapons and the Vietnam war.

Fulbright, a leading critic of the war and the Defense Department, said he would introduce amendments to the Defense appropriations bill to limit the money spent on information programs and outlaw "public relations, as against public information."

The Arkansas Democrat said Pentagon publicists were much more dangerous than the television newsmen criticized by Vice President Spiro T. Agnew.

"Vice President Agnew's remarks only served to reconfirm my fears that an administration that actively desires to use the tremendous power and prestige of its high office to control the media in our free society can do great damage to our traditions," Fulbright said in a Senate speech.

"He spoke as part of an administration effort to stifle dissent. I am speaking of an administration program designed actively to promote support."

Fulbright said the Pentagon uses TV film, news releases, speakers and expense-paid tours for influential civilians to swing public opinion behind its policies.

He said 2,800 men are employed in Armed Forces public information and public relations programs, and spending has multiplied 10 times to at least 27,953,000 last year since Congress stopped limiting it 10 years ago.

Fulbright said his amendment would seek to eliminate five television camera crews the Defense Department maintains in Vietnam. He said the film clips he viewed "have a propaganda rather than a journalistic thrust," and are turned over to commercial TV stations for use in news shows.

"There is enough administration propaganda on Vietnam being provided the American public through speeches and statements without providing this additional outlet in the guise of 'objective' newsmen stories," he said.

Fulbright said he began to look into Pentagon publicity efforts following his unsuccessful attempt to delay deployment of the antiballistic missile (ABM). During the debate, he said, he learned of a Pentagon memorandum "which depicted an ambitious, coordinated public relations program to promote that weapons system."

[A Newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., June 24, 1969]

MOBILE TV STATION BRINGS U.S. PROGRAMS TO AMERICAN TROOPS IN SOUTH VIETNAM

(Official Department of Defense motion picture film by the U.S. Marines under the direction of the MACV Office of Information. Photography by SSgt. Bloom and SSgt. DeMitor: Sound by SSgt. Melcher.)

At Chu Lai in Quang Tin Province in South Vietnam a new mobile television station joins (March 14, 1969) the existing American Forces Vietnam Network to bring U.S. television programs to our troops in this forward combat area. In-between and during incoming mortar rounds, blasting explosions and aircraft noises Channel 13 daily provides ten hours of TV programs that include three newscasts a day to soldiers in the area. Three feature films are run at varying times each week so that no matter what shift a man works he is able to see the film. "Combat" and "Mission Impossible" are reputed to be among the most popular programs viewed by Americans and the Vietnamese. The mobile van also picks up and rebroadcasts incoming Armed Forces radio programs and evidence of this radio reception is seen everywhere. The programs are broadcast by a power of 40,000 watts from a 305 ft. tower. Channel 13 is the eighth such armed forces television station that is now bringing television programming to servicemen stationed in South Vietnam.

Scene footage, 7; video sequences (a) LS pan down TV tower to van; audio, wild track.

Scene footage 4; video sequences (b) Two scenes sign & bldg.; audio, wild track.

Scene footage, 6; video sequences (c) Inside TV van control room; audio, wild track.

Scene footage, 7; video sequences (d) New program on screen & cameras; audio, wild track.

Scene footage, 9; video sequences (e) News announcer on camera; audio, sync sound.

Scene footage, 9; video sequences (f) Three scenes men watching TV in sick bay; audio, wild track.

Scene footage, 6; video sequences (g) Man w/portable radio at aircraft repair; audio, wild track.

Scene footage, 8; video sequences (h) Another sequence portable radio; audio, wild track.

Scene footage, 3; video sequences (i) Man on guard with radio; audio, wild track.

Scene footage, 8; video sequences (j) 2 scenes men stringing barbed wire w/radio; audio, wild track.

Note to Editors: 67' 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm and a master and optical track to Deluxe Lab.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD Pool member and is available commercially to non-pool members and other authorized agencies from Deluxe Laboratories, 850 Tenth Avenue, New York City, telephone CIrcle 7-3220.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Aug. 22, 1969]

SOUTH VIETNAMESE VOLUNTEERS RECEIVE POPULAR FORCES TRAINING

(Official Department of Defense motion picture film by the U.S. Army under the direction of the MACV Office of Information. Photography by SSgt. De Mitor and Sgt. Waligorski. Sound by SSgt. Turlington.)

The American Forces Advisory effort in South Vietnam has been engaged in a vital training program to teach volunteers from local villages and hamlets basic military procedures that will be used in defense of their own villages. The program, known as the Popular Forces concept, puts the South Vietnamese recruits through a training program similar to that received by U.S. Army trainees in the United States. Once the South Vietnamese complete the training they will be used in defense of their own property and families. The improvement in fighting capability and Esprit de Corps is easily recognized in their performance. The course begins with the recruit being taught how to wear the uniform properly, military courtesy, and continues through the use of the M-16 Rifle and Small Unit Tactics. Special classes are conducted in mines and booby traps. If the need should arise, these men could easily become part of a larger mobilized force by bringing several Popular Force Units together to combat enemy attacks on their villages.

Scene footage, 4; video sequences (a) Entrance to Trung-Tam Camp; audio, wild track.

Scene footage, 3; video sequences (b) LS Morning formation; audio, wild track.

Scene footage, 4; video sequences (c) MS troops salute; audio, wild track.

Scene footage, 2; video sequences (d) Sgt. reports to ARVN Lieutenant; audio, wild track.

Scene footage, 2; video sequences (e) CU ARVN Sgt.; audio, wild track.

Scene footage, 3; video sequences (f) Lt. teaches rifle class; audio, wild track.

Scene footage, 2; video sequences (g) troops in class; audio, wild track.

Scene footage, 2; video sequences (h) MS Lieutenant; audio, wild track.

Scene footage, 3; video sequences (i) Lt. & U.S. Adviser walk past troops in firing position; audio, wild track.

Scene footage, 1; video sequences (j) Lt. talks to soldier; audio, wild track.

Scene footage, 2; video sequences (k) CU ARVN soldier shooting rifle; audio, wild track.

Scene footage, 4; video sequences (l) MS ARVN soldier shooting rifle; audio, wild track.

Scene footage, 7; video sequences (m)

Troops through infiltration course; audio, wild track.

Scene footage, 2; video sequences (n) ARVN cadre fires machine gun; audio, wild track.

Scene footage, 5; video sequences (o) CU ARVN soldier crawling; audio, wild track.

Scene footage, 1; video sequences (p) CU machine gun muzzle; audio, wild track.

Scene footage, 2; video sequences (q) CU soldier crawling; audio, wild track.

Scene footage, 4; video sequences (r) U.S. Adviser with ARVN Cadre; audio, wild track.

Scene footage, 7; video sequences (s) Gas Mask lecture; audio, wild track.

Scene footage, 2; video sequences (t) troops clapping; audio, wild track.

Scene footage, 5; video sequences (u) girl entertainer; audio, wild track.

Scene footage, 4; video sequences (v) U.S. Adviser with Camp Commander; audio, wild track.

Scene footage, 1; video sequences (w) CU drums; audio, wild track.

Scene footage, 2; video sequences (x) CU troops clapping; audio, wild track.

Note to Editor: 74' 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm and a master and optical track to Deluxe Lab.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A Newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Sept. 17, 1969]

NEW AMPHIBIOUS CARGO CARRIER "HUSKIES" JOINS MARINES IN VIETNAM

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by S. Sgt. DeMitor and Sgt. Waligorski. Sound by S. Sgt. Turlington.)

A new light amphibious cargo carrier, the M116A1 "Huskie" is joining U.S. Marines on duty in Viet Nam. Near Da Nang, one of the "Huskies", which are replacing similar carriers called the "Otter", goes through its paces. Designed to carry as many as 13 troops or up to 3,000 pounds of cargo, the "Huskie" is equally at home in water or on land. The snub-nosed vehicle is 15 feet long and 7 feet wide with an aluminum hull. Its powered by a 283-cubic inch Chevrolet engine that develops 160 horsepower. Running on its two 20-inch steel tracks, the "Huskie" crosses water at a speed of 5 miles per hour and can hurdle ground obstacles over 18 inches high. Its range can be as much as 300 miles on land at a speed of about 40 mph and it can travel 22 miles in water on a tank load of 65 gallons of gas. At present, four of the "Huskies" have reached Marines in Viet Nam and more of the 45 ordered will be dispersed as mechanics and drivers become available. The "Huskie" is not armor plated or armed. But later models will be equipped with machine guns or a mortar. The vehicles cost \$64,000 each but to the Marine who no longer has to haul ammunition in stifling heat or to the rifeman whose life is saved in a medevac, the "Huskie" is worth a million.

Scene footage, 4; video sequences (a) LS Huskies in water; audio, wild track.

Scene footage, 15; video sequences (b) Various shots of Huskies in water; audio, wild track.

Scene footage, 7; video sequences (c) Huskies onto land; audio, wild track.

Scene footage, 1; video sequences (d) CU dashboard; audio, wild track.

Scene footage, 4; video sequences (e) Huskies down road; audio, wild track.

Scene footage, 22; video sequences (f) Huskies cross puddles; audio, wild track.

Note to editors: 53ft 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Sept. 5, 1969]

U.S. NAVY CRUISER, USS "ST. PAUL," ON FOURTH TOUR IN VIETNAM WATERS

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of MACV Office of Information. Photography by S.Sgt. DeMitor and Sgt. Wallgorski.)

Over the past four years, the heavy cruiser, USS Saint Paul, has spent four tours in Vietnamese waters. In this time, her nine eight-inch and ten five-inch guns have lobbed more than 100,000 rounds onto enemy targets in the I Corps Tactical Zone in South Vietnam. Calls for assistance come into the Combat Information Center on board the Saint Paul from aerial spotters or ground troops. The target information is passed on to the ship's sophisticated fire control computer along with wind speeds, course, and the ship's speed. The computer spits out the adjusted target settings. In less than five minutes, Saint Paul's guns can answer any call for help, sending their projectiles at the enemy. Recently, the "Fighting Saints", as the men of the Saint Paul are known, supported elements of the 1st Marine Division at Da Nang with their heavy naval gunfire. This was at 1:00 a.m. Five hours later, and 80 miles away, the cruiser was hurling her shells in an effort to assist the 3rd Marine Division, south of the Demilitarized Zone.

The Saint Paul's operations officer, Commander Clifford Barnes of Warm Springs, Georgia, describes the effect of this naval firepower in these words: "Naval gunfire is devastating. The enemy doesn't have time to hear the incoming rounds. They're hit before they hear them." The "fighting Saints" have received numerous congratulatory messages from Army and Marine Corps ground forces in appreciation of the Saint Paul's close support during their operations. Rear Admiral T. J. Rudden, Jr., commander of Flotilla 3, consisting of more than 50 cruisers and destroyers of the U.S. Seventh Fleet, commented on the combination of air strikes, artillery, and naval gunfire which support ground operations in Vietnam, and he said "The enemy is hurting. It's a combination of all the pressures. We (the Navy) are a part of a whole team."

Scene footage, 3; video sequences, (a) Aerial of target area; audio, wild sound.

Scene footage, 4; video sequences, (b) MCU Forward Air Controller in cockpit of plane; audio, wild sound.

Scene footage, 3; video sequences, (c) Aerial shot of target; audio, wild sound.

Scene footage, 6; video sequences, (d) Aerial shot of USS Saint Paul; audio, wild sound.

Scene footage, 3; video sequences, (e) Sailor writing down coordinates on board; audio, wild sound.

Scene footage, 6; video sequences, (f) Sailor plotting target; audio, wild sound.

Scene footage, 1; video sequences, (g) CU of officer; audio, wild sound.

Scene footage, 2; video sequences, (h) Sailor setting target on computer; audio, wild sound.

Scene footage, 5; video sequences, (i) Computer sets targets; audio, wild sound.

Scene footage, 3; video sequences, (j) Gun turret moving; audio, wild sound.

Scene footage, 1; video sequences, (k) Bridge of USS Saint Paul; audio, wild sound.

Scene footage, 2; video sequences, (l) Sailors on bridge of USS Saint Paul; audio, wild sound.

Scene footage, 4; video sequences, (m) Guns firing; audio, wild sound.

Scene footage, 10; video sequences, (n) Guns being loaded; audio, wild sound.

Scene footage, 12; video sequences, (o) Several scenes of guns firing; audio, wild sound.

Scene footage, 4; video sequences, (p) Aerial shot of USS Saint Paul; audio, wild sound.

Note to editor: 69' 16 mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Sept. 3, 1969]

U.S. NAVY TRAINS ENLISTED MEN FOR DEEP-SEA DIVING AT PHILIPPINES SCHOOL

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of MACV Office of Information. Photography by S. Sgt. N. G. De Miter. Sound by S. Sgt. J. T. Turlington Special underwater photography by Charles Sawyer.)

Approximately 75 U.S. Navy enlisted men are graduated each year from one of the Navy's most exacting training courses: the deep-sea diving school at the Subic Bay Naval Base in the Philippines. These men are volunteers and are taught such underwater skills as replacing ship's propellers, inspecting hulls, patching water suction and exhaust outlets in ships' hulls, and repairing communication lines. Without these skills, the Navy would be forced to have ships placed in drydock, a time consuming operation and one that would involve millions of dollars each year. Trainees are first acquainted with "Jake," a dummy wearing the same 195 pounds of deep-sea diving gear they must learn to handle perfectly. The gear can be compared to an astronaut's space suit, except that it is much heavier. The diving helmet weighs from 54 to 60 pounds; the weighted belt weighs 84 pounds; the lead-soled shoes weigh 18 pounds each.

The trainees work together in pairs as divers and diver-tenders. The accent is on safety and teamwork, and no detail is overlooked as students take turns suiting one another up.

The training tank at Subic Bay is equipped with portholes so the new diver can be carefully observed as he makes his descent. In these training dives the face plate of the helmet is blackened out to simulate deep-sea conditions. When they have completed the eight-week course, they will be working at depths of up to 150 feet for as long as an hour at a time. At that depth, visibility extends only a few feet for the diver. He must learn to "feel" rather than "see" his work. One deep sea test simulated in the diving tank is a jump from a three foot table on the bottom to experience the buoyancy of the suit. When they have earned their diplomas from the Deep-Sea Diving School, these men will be assigned to submarine rescue ships, shore-based repair facilities, and rescue salvage ships.

Scene footage, 3; video sequences (a) Exterior Diving Center; audio, wild track.

Scene footage, 3; video sequences (b) Sign "Diving School"; audio, wild track.

Scene footage, 3; video sequences (c) CU diving helmet; audio, wild track.

Scene footage, 8; video sequences (d) Instructor lectures to class; audio, wild track.

Scene footage, 2; video sequences (e) Trainee suited up; audio, wild track.

Scene footage, 4; video sequences (f) CU trainee; audio, wild track.

Scene footage, 5; video sequences (g) Trainee suiting up; audio, wild track.

Scene footage, 8; video sequences (h) Diving helmet in place; audio, wild track.

Scene footage, 13; video sequences (i) Student lowers himself into diving tank; audio, wild track.

Scene footage, 2; video sequences (j) Instructor watches through porthole; audio, wild track.

Scene footage, 3; video sequences (k) Diver under water; audio, wild track.

Scene footage, 1; video sequences (l) CU instructor; audio, wild track.

Scene footage, 4; video sequences (m) Trainee jumps off 3' table underwater; audio, wild track.

Scene footage, 2; video sequences (n) Diver-tender holds life line; audio, wild track.

Scene footage, 7; video sequences (o) Trainee out of diving tank; audio, wild track.

Note to editors: 68' 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is "V" series color composite print released to each individual DOD pool.

[A Newsfilm Release From the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Sept. 22, 1969]

VIETNAMESE HELICOPTER UNIT REDUCING ENEMY HIDEOUTS IN DELTA

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. DeMitor and Sgt. Wallgorski. Sound by SSgt. Drew.)

Hiding places for Viet Cong forces in the Delta region of South Vietnam are disappearing through the efforts of the Vietnamese 217th Helicopter Squadron at Binh Thuy. The mobile assault operations are carried on from dawn to dusk and represent one of the biggest advances made to date in the growing "Vietnamization" of the war designed to turn all such operations over to the Vietnamese. The 217th is equipped with UH-1H "Huey" helicopters capable of carrying 14 troops or 2000 pounds of cargo at speeds of up to 115 miles an hour.

The U.S. Air Force Advisers, headed by Major Richard C. Ground of Burbank, California, and the Vietnamese pilots and crewmen are briefed on the day's mission or missions. The Huey helicopters, each carrying a pair of M-60 machine guns and escorted by U.S. Army gunship helicopters, pick up a Vietnamese infantry unit and rush them into a suspected Viet Cong hideout near Rach Gia, 38 miles west of Binh Thuy. These relentless air mobile assaults have forced the enemy to reduce its operating units from Battalion strength to small, 15-man units. They have also pushed the Viet Cong into two main refuge areas—a swamp region and an area around the only mountain in the IV Corps.

Scene footage, 4; video sequences (a) Aerial pan of Huey helicopters on ground; audio, wild track.

Scene footage, 5; video sequences (b) ARVN officers and U.S. Advisers at map; audio, wild track.

Scene footage, 4; video sequences (c) Helicopters take off; audio, wild track.

Scene footage, 5; video sequences (d) Helicopters in flight; audio, wild track.

Scene footage, 2; video sequences (e) Helicopters land in field; audio, wild track.

Scene footage, 10; video sequences (f) South Vietnamese troops board helicopters; audio, wild track.

Scene footage, 7; video sequences (g) Helicopters take off; audio, wild track.

Scene footage, 4; video sequences (h) Interior troops inside helicopters; audio, wild track.

Scene footage, 12; video sequences (i) Helicopters land, troops move out; audio, wild track.

Scene footage, 7; video sequences (j) Helicopters take off; audio, wild track.

Note to editors: 60 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Oct. 1, 1969]

UNITED STATES-SOUTH VIETNAMESE FORCES PATROL ENEMY INFILTRATION ROUTES

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. DeMitor and Sgt. Waligorski. Sound by Sgt. Cawood.)

Located in the path of several enemy infiltration routes leading to Saigon is Fire Support Base Kein, manned by elements of the U.S. 1st Infantry Division and South Vietnamese 5th Infantry Division. The base was one of the first and most successful to be implemented under the Vietnamization program announced in July. The operation is called "Dong Tien"—Progress Together. The American and South Vietnamese battalions have worked hand in glove with one another in a system which blends the firepower and mobile assault capabilities of the Americans with the local expertise of the ARVN troops.

Brig. Gen. Herbert E. Wolff, Commander of the U.S. 1st Infantry Division, and Major Gen. Nguyen Van Hieu, Commander of the 5th RVN Division, conferred with staff members at the base prior to a recent river operation. A major portion of Fire Support Base Kein's efforts are directed against closing off the Saigon River to enemy infiltrators. High-speed patrol boats heavily armed with machine guns, grenade launchers and mortars carry ARVN soldiers to suspected infiltration points along the river banks. Once ashore, the troops fan out and sweep through a rice paddy searching for signs of the enemy. These operations are steadily being turned over to the South Vietnamese, and it's expected that by June of next year, the turnover will be complete.

Scene footage, 8; video sequences (a) Gens. Wolff and Hieu and staff discuss mission, audio, wild track.

Scene footage 6; video sequences (b) ARVN troops board patrol boats, audio, wild track.

Scene footage, 18; video sequences (c) Boats down river, audio, wild track.

Scene footage, 13; video sequences (d) Boats land and discharge troops, audio, wild track.

Scene footage, 10; video sequences (e) Troops cross rice paddy, audio, wild track.

Scene footage, 4; video sequences (f) Boats land to pick up troops, audio, wild track.

Scene footage, 6; video sequences (g) Troops re-embark, audio, wild track.

Note to editors: 65 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Oct. 8, 1969]

REFUGEES RELOCATED AT CAM RANH BAY

(Official Department of Defense motion picture film by the U.S. Air Force under the

direction of the MACV Office of Information. Photography by Sgt. Waligorski. Sound by Sgt. Cawood.)

More than 200 Vietnamese refugee families recently found a new life in a new land when the South Vietnamese government and the U.S. Air Force teamed up to carry them to home sites near Cam Ranh Bay. These refugees, totaling more than 1,100 people, were forced to leave their homes to escape the communists when they overran their village. They were relocated at Quang Ngai, about 170 miles below the Demilitarized Zone separating North and South Vietnam. Soon afterwards, it was found that the area around Cam Ranh Bay, some 200 miles further to the south, could better support these people, if they were willing to make the change. A refugee delegation inspected the land and volunteered to make the move.

The Government of Vietnam supplied the refugees with a six-month supply of food, helped in the purchasing of materials, and assisted in the building of their new housing. U.S. Air Force planes provided transportation for the refugees, making the difficult transition just a little easier. Among those making the journey were Do Phung Ngoc, a 65-year-old farmer, his wife and their two children. They had escaped from the communists eight months before and had been living in a Refugee Reception Center at Tho Lo until given the chance to begin their new life near Cam Ranh Bay. Do Phung Ngoc deserted 37 acres of farm land to remain free—land that had been tilled by his forefathers for more than 100 years. This was not an easy change, but he and his family have a new land, a new home and a new hope.

Scene footage, 6; video sequences (a) Zoom to refugee village at Tho Lo; audio, wild track.

Scene footage, 7; video sequences (b) Ngoc and family in home; audio, wild track.

Scene footage 5, video sequences (c) Ngoc and family with other villagers; audio, wild track.

Scene footage, 1; video sequences (d) Sign "320 Aviation Airfield"; audio, wild track.

Scene footage, 1; video sequences (e) Airmen at base; audio, wild track.

Scene footage, 5; video sequences (f) Refugees board plane; audio, wild track.

Scene footage, 3; video sequences (g) Plane takes off; audio, wild track.

Scene footage, 6; video sequences (h) Plane lands near Cam Ranh Bay; audio, wild track.

Scene footage, 3; video sequences (i) Refugees off plane; audio, wild track.

Scene footage, 3; video sequences (n) Refugees on bus; audio, wild track.

Scene footage, 8; video sequences (k) New village at Cam Ranh Bay; audio, wild track.

Scene footage, 9; video sequences (l) Pan new site; audio, wild track.

Scene footage, 5; video sequences (m) Ngoc looks at frame of new home; audio, wild track.

Scene footage, 3; video sequences (j) Refugees till field; audio, wild track.

Scene footage, 9; video sequences (o) Ngoc works in garden at new home; audio, wild track.

Note to editors: 74 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Oct. 13, 1969]

SOUTH VIETNAM'S "FIRE DRAGONS" RULE NIGHT SKIES

(Official Department of Defense motion picture film by the U.S. Air Force under the

direction of the MACV Office of Information. Photography by SSgt. De Mitor, and Sgt. Waligorski. Sound by Sgt. Cawood.)

The South Vietnamese Air Force has taken over the night flying combat missions of the AC-47 "Fire Dragons" from American air crews in the III and IV Corps areas and compiled an enviable record against enemy infiltrators. The 417th Squadron based at Tan Son Nhut Air Base is the only unit in the South Vietnamese Air Force using the slow-flying, twin-engine planes converted to deadly "Dragons" by carrying three miniguns. Crew members and gunners are given detailed briefings before each mission.

The planes cover about one-third of the land of South Vietnam and have been highly effective in helping ground forces defend outposts. The nightly missions last about four hours with flares dropped to illuminate the target. The miniguns carried by the AC-47 can be fired at 18,000 rounds per minute in an incredible burst of flame and roar. Tracer bullets help the gunner to stay on target. Many of the South Vietnamese pilots have logged 5,000 hours of flying time patrolling the night skies in the "Dragons."

Scene footage, 21; video sequences (a) Pilots briefed at maps; audio, synchronized sound.

Scene footage, 8; video sequences (b) Crew enters AC-47; audio, wild sound.

Scene footage, 4; video sequences (c) Gunner checks minigun; audio, wild sound.

Scene footage, 3; video sequences (d) AC-47 engines turned over; audio, wild sound.

Scene footage: 10; video sequences (e) Plane taxis; audio, wild sound.

Scene footage, 7; video sequences (f) Aerial shots of AC-47, guns fired; audio, wild sound.

Scene footage, 19; video sequences (g) Sev. scenes miniguns fired, audio, wild sound.

Note to Editors: 72 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPI-Newsfilm, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Oct. 31, 1969.]

EARLY CHRISTMAS MAILING ESSENTIAL FOR OVERSEAS SERVICEMEN

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. De Mitor and Sgt. Waligorski. Sound by SSgt. Turlington.)

Narration: No matter where he's stationed, one of the brightest moments in any serviceman's day is "mail call." At Christmas time, far from home, mail has a special meaning for the man in uniform. The Christmas mail rush of packages going overseas has already begun. To make certain packages get to their destinations by Christmas morning, the Department of Defense and the U.S. Post Office have teamed up once more. Christmas packages going overseas at regular postage rates, like to this aircraft carrier at sea off the coast of Vietnam, should be mailed by November eighth. If a Christmas package is going overseas by airmail, it must be mailed by December thirteenth. The U.S. Navy Post Office at Subic Bay in the Philippines is typical of the super-human job that is done at military post offices around the globe. In just one month, this unit processed more than two million pounds of mail to the men of the U.S. Seventh Fleet. The fleet is scattered over millions of square miles of the Western Pacific, sixty percent of the mail going to ships on line duty off Vietnam. From the time mail arrives at Subic Bay, until it is sorted, and rerouted, only twenty-four to thirty hours have gone by. Major headaches of these post men, especially during the Christmas season, are incorrect addresses and poorly wrapped

packages. To keep track of the Seventh Fleet's three hundred ships at sea, a large board with the name of every vessel and unit is maintained to constantly up-date mail-delivery routing. The Christmas mail campaign has begun for these men and thousands like them all over the world. They need your help. Please, MAIL EARLY!

Time of scene, (wild sound throughout): :08 SOF Plane lands on carrier; :17 SOF Mail off plane; :20 SOF "Mail Call"; :38 SOF Sailors read mail; :43 SOF Subic Bay Post Office; 1:03 SOF Mail off truck; 1:28 SOF Sailors sort mail; 1:40 SOF Routing mail on large board; 1:58 SOF Mail in sacks.

Note to Editors: 71 ft. 16 mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPITN, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Nov. 7, 1969.]

REPUBLIC OF VIETNAM AIRCRAFT MECHANICS WHIZ THROUGH AIRCRAFT CONVERSIONS

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by Sgt. Walligorski. Sound by SSgt. Drew.)

Vietnamese Air Force (CNAF) mechanics stationed at Binh Thuy Air Base in South Vietnam's delta region recently whizzed through a change-over course in helicopters and attack aircraft. Six months had been allotted for the conversion from CH-34 helicopters to faster, more versatile UH-1H helicopters, and from A-1 attack aircraft to A-37 jets. Working under the supervision of U.S. Air Force technicians the Vietnamese mechanics learned to handle testing equipment and major repair work for their new aircraft.

The hard working officers and men of the VNAF 74th Technical Group completed their training well ahead of schedule. In both cases, the conversion of helicopters and planes represented a switch from conventional engine to jet engine. The UH-1H "Huey" helicopters are employed in daily combat assault operations against the Viet Cong in the Delta. The new attack aircraft are used against enemy base camps, supply areas and troop concentrations.

Scene footage, 7; video sequences (a) mechanics work on plane; audio, wild track.

Scene footage, 8; video sequences (b) mechanics work on helicopter; audio, wild track.

Scene footage, 3; video sequences (c) mechanics work on attack plane; audio, wild track.

Scene footage, 7; video sequences (d) dolly shot of machine shop; audio, wild track.

Scene footage, 8; video sequences (e) U.S. adviser work test equipment with South Vietnamese mechanics; audio, wild track.

Scene footage, 6; video sequences (f) mechanic testing bomb pylon; audio, wild track.

Scene footage, 17; video sequences (g) mechanic works on engine with U.S. adviser; audio, wild track.

Note to editors: 56 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPITN, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Nov. 19, 1969]

SAILORS, MARINES AID "BOYS TOWN" IN THE PHILIPPINES

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. DeMitor. Sound by Sgt. Cawood.)

At Olangapo in the Philippines, U.S. Naval and Marine Corps personnel have, for more than two years, aided a Philippine "Boys Town" modeled after the famous boys home in Nebraska. Since Olangapo borders the huge U.S. Naval facility at Subic Bay, working parties from ships of the Seventh Fleet which put into Subic regularly give their time to the school. In the little more than two years since the school was founded, an estimated 1,500 Sailors and Marines have given their time and money toward aiding the boys. U.S. Sailors have built a playground and schoolhouse for the boys, who range in age from 6 to 16; hooked up an electrical system, and assisted in construction of farm-type buildings.

Rev. John Moran, a Catholic Missionary of the Columban Fathers Order, from Providence, R.I., is director of the institution which currently houses 32 boys. He estimated Navy volunteers have donated about \$4,500 in cash and \$5,000 in labor toward the Boys Town. Typical of the groups which regularly visit the Filipino boys is this one from the U.S.S. PARICUTIN, which put into Subic Bay directly from line duty in Vietnam waters. They spent a day seeding a field, painting a building to house pigs, repairing a water pump and playing with the youngsters.

Scene footage, 6; video sequences (a) Navy trucks into Boys Town; audio, wild track.

Scene footage, 19; video sequences (b) Sailors seed field; audio, wild track.

Scene footage, 6; video sequences (c) Sailors painting box; audio, wild track.

Scene footage, 10; video sequences (d) Sailors work on pump; audio, wild track.

Scene footage, 12; video sequences (e) Sailors play basketball; audio, wild track.

Scene footage, 6; video sequences (f) Sailors, boys on swing; audio, wild track.

Scene footage, 21; video sequences (g) All at party; audio, wild track.

Note to Editors: 80 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPITN, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense (Public Affairs), Washington, D.C., Nov. 23, 1969]

SOUTH VIETNAM FIGHTER PILOTS FLY F-5 "FREEDOM FIGHTER"

(Official Department of Defense motion picture film by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. DeMitor, and Sgt. Walligorski. Sound by SSgt. Cawood.)

Vietnam Air Force (VNAF) fighter pilots flying the supersonic F-5 "Freedom Fighter" have been taking on a more varied combat role in operations against the Viet Cong and North Vietnamese Army troops as part of the growing "Vietnamization" program taking place in all branches of the Republic of Vietnam military. The 23rd Tactical Wing of the VNAF, based at Bien Hoa, one of the world's busiest air fields, is the only wing employing the sleek jet fighter plane. Many of these pilots have logged 2000 to 3000 hours

of combat in the F-5 and, in the process, have earned the respect of pilots everywhere for their prowess with the supersonic aircraft.

The "Freedom Fighter" carries a terrific wallop with its two fast-firing 20mm cannons, 19 "Mighty Mouse" 2.75-inch rockets and four five-inch High Velocity Aircraft Rockets. Other possible armament loads include 500, 750, 1000, or 2000 pound bombs, "Sidewinder" missiles, "Zuni" rockets or napalm cannisters, depending upon the mission. These films show the South Vietnamese pilots on a mission against an enemy bunker complex. The target has been marked with a smoke rocket and seconds later the F-5s swoop in, drop their bombs, and are gone as quickly as they came.

Scene footage, 8; video sequences (a) VNAF pilot puts on helmet in cockpit; audio, wild track.

Scene footage, 7; video sequences (b) Crew chief gives pilot go-ahead signal; audio, wild track.

Scene footage, 17; video sequences (c) F-5 taxiing; audio, wild track.

Scene footage, 6; video sequences (d) F-5 taking off; audio, wild track.

Scene footage, 9; video sequences (e) F-5s in flight; audio, wild track.

Scene footage, 3; video sequences (f) Target on ground marked by smoke; audio, wild track.

Scene footage, 19; video sequences (g) F-5 on bombing run; audio, wild track.

Scene footage, 6; video sequences (h) F-5s in flight; audio, wild track.

Note to editors: 75 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPITN, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

[A newsfilm release from the Office of Assistant Secretary of Defense, Public Affairs, Washington, D.C., Dec. 2, 1969]

SOUTH VIETNAMESE FORCES GUARD ISLAND IN SIAM GULF AGAINST VIETCONG

(Official Department of Defense motion picture by the U.S. Air Force under the direction of the MACV Office of Information. Photography by SSgt. DeMitor, SSgt. Schriever, and Sgt. Walligorski. Sound by SSgt. Cawood.)

For some time, the Viet Cong have looked longingly at the island of Phu Quoc in the Gulf of Siam, about 25 miles from the Vietnam mainland. The island is only 30 miles long and 17 miles across at its widest point. Its nearly 16,000 inhabitants live primarily in the city of Duong Dong. They bring in enough fish and manufacture enough fish products to enjoy the highest per capita income level in the Republic of Vietnam. This alone would be reason enough for the Viet Cong to want to control Phu Quoc, but, militarily, it would serve as an excellent staging point for operations against the Mekong Delta region of the mainland. Phu Quoc is secure from the Viet Cong.

As part of the successful "Vietnamization" program, South Vietnamese Regional and Popular Force troops have completely assumed the job of guarding the island against enemy infiltrators. There are now only a handful of American troops on the island. Popular Force units are used to guard bridges and access routes into Duong Dong while Regional Forces conduct patrols and sweeps well outside the city searching for traces of enemy infiltrators. The sweeps into the countryside are conducted during the day and at night. This patrol uncovered an

enemy bunker, but found no trace of any Viet Cong soldiers.

Scene footage, 10; video sequences (a) Aerial of Phu Quoc Island and Duong Dong city; audio, wild track.

Scene footage, 7; video sequences (b) Harbor scenes at Duong Dong; audio, wild track.

Scene footage, 5; video sequences (c) Fishermen with nets; audio, wild track.

Scene footage, 3; video sequences (d) Ox team through the city; audio, wild track.

Scene footage, 7; video sequences (e) Popular Forces check villager on bridge; audio, wild track.

Scene footage, 4; video sequences (f) Regional Forces camp; audio, wild track.

Scene footage, 5; video sequences (g) Regional Forces officers and Americans confer; audio, wild track.

Scene footage, 25; video sequences (h) Regional Forces troops on sweep through countryside; audio, wild track.

Scene footage, 10; video sequences (i) Enemy bunker inspected; audio, wild track.

Scene footage, 5; video sequences (j) Regional Forces troops continue sweep; audio, wild track.

Note to editors: 80 ft. 16mm color composite print released to ABC-TV, CBS-TV, NBC-TV, Fox Movietone, UPTN, and a master and optical track to Deluxe Laboratories.

Editors: Please credit Department of Defense in title or commentary. This is a "V" series color composite print released to each individual DOD pool.

PROJECT HOPE COMES TO AMERICA; MORE MEDICAL PERSONNEL NEEDED

Mr. YARBOROUGH. Mr. President, neither the advances in medical science, nor the growing ability of Americans to pay for good medical care will raise health standards in this country until we break the bottleneck of limited medical manpower. This scarcity is not only among physicians; it is acute among medical and laboratory technicians, nurses aids, and public health workers of all kinds.

More people in these jobs can make the greatest impact upon low health standards in poverty areas all over the country. Where medical care is limited to doctors, dentists, and hospitals, it is also limited to families able to pay for this most costly care, plus a few charity patients. We need to expand our supply of hospitals, doctors, dentists, and all their related professional personnel.

But there is an even greater need to expand the supply of men and women trained in public health techniques and in education. Without more such people, there is not much chance that health standards will improve among the poor.

Therefore, I want to call to the attention of the Senate a pilot program in the training of such people that holds promise for many communities. It is privately sponsored and financed. It is operated by the same organization that has made such a mark upon health techniques in undeveloped countries.

It is Project HOPE. Project HOPE has come into Laredo, Tex., just to locate and train the people who can accomplish the most in their local community to improve its health.

An article describing the HOPE campaign in Laredo was published in Parade magazine on December 7, 1969. Aably written by George Michaelson, it accurately

outlines the problem, and it relates the way in which HOPE is doing something about it.

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:

HOPE IS THE BEST MEDICINE

(By George Michaelson)

LAREDO, TEX.—"Ever since I was in third grade I had the idea in my head to be a nurse. But, in the seventh grade I had to drop out of school to help my father support my eight younger brothers and sisters. You see, my father is deaf and couldn't get work except in the fields. So, in the summer we went north to thin tomatoes in Utah, to hoe beets in Minnesota, and to pick cucumbers in Wisconsin. Then we came back to Texas to top carrots and onions. I did this until I was 19 and got married. I never lost the idea of being a nurse, but I figured I didn't have no chance anymore."

Oralia Camarillo, a short, dark-haired, dark-eyed woman, now has a chance, or more exactly, HOPE. Together with 23 other Mexican-Americans, most of whom are high-school dropouts, she is currently enrolled here as a "health assistant" trainee in what may well be America's most innovative medical training program—Project HOPE.

AROUND THE WORLD

Project HOPE is no newcomer to this training business. For the past nine years, its 15,000-ton World War II hospital ship, also called HOPE, has been sailing to some of the world's poverty regions with a cargo of about 150 American doctors, dentists and nurses. Some of these medics fan out into the city and countryside to train local people, while the rest administer to the sick from aboard the ship's model hospital.

As a privately financed project (annual budget is \$6.7 million, with 70 percent coming from individuals and 30 percent from corporations), HOPE goes only where it is invited and usually stays no more than nine or ten months. To date, it has visited 11 countries on four continents, trained some 5,100 persons in medicine, dentistry and nursing, and has compiled a list of achievements that range from organizing the first nursing school in northern Peru to fabricating the first set of false teeth in Guinea.

Yet in the last year or so, with the growing awareness that America too has poverty pockets, some of the project's workers began to feel that HOPE—like charity—ought to begin at home. Explains HOPE's 49-year-old founder-director, Dr. William Walsh: "Our country is already approaching something of a crisis in medical care. We have only about half the doctors and medical technicians we need and two-thirds of the nurses. And as you can imagine, it's even worse in poor areas. Therefore, about a year ago, we decided that in addition to our work overseas, we would also try to get something going here in the U.S. After looking all around the country we decided to start in Laredo."

HOPE couldn't have found a better spot to launch its first domestic program. Laredo is a dusty Texas border town of some 78,000 people, a town that in all its sun-baked history has managed to pick up few distinctions, except that it is now the poorest city in the nation. About 85 percent of the population are Mexican-Americans, many of whom scratch out an existence as field hands. There is much illness, few doctors, and only one 250-bed hospital to serve them and any-one else within a 150-mile radius.

SUPERSTITION

Moreover, with this under-exposure to modern medicine, has gone superstition.

It is not at all uncommon for an appendicitis patient to attempt the home cure of wrapping his belly with spiced banana leaves, or for a mother to refuse to let a doctor see her newborn baby for fear that he might look upon the child with a *mal de ojo* (evil eye). "So much of this superstition and the sickness that comes with it," concludes José Gonzalez, administrator of the county's public health program, "can be wiped out if only we can educate the people. But we just don't have the medical personnel to do it. That's where HOPE comes in."

Shortly after the eight-member HOPE staff arrived in May, they began seeking out candidates for their "health assistant" trainee program—a program that in four months intends to make nurses' aides and public health workers out of under-educated housewives and field hands. "Since we've done this kind of thing all over the world," says William Walsh Jr., son of HOPE's director, and administrator of the Laredo project, "there's no reason why we can't do it here. You see, in almost all poverty areas there are a lot of very bright and unused people who are just waiting for a chance to improve themselves and serve others. Our job is to give them the chance."

Right away, however, HOPE ran into problems. Almost no males applied to the program—"evidently," says Walsh, "it is considered woman's work to look after the sick." And then, there were women who wanted to apply, but whose husbands wouldn't let them for fear they would be rubbing elbows too closely with other men.

Even with these obstacles, by the beginning of October HOPE had recruited and begun to teach its first batch of trainees—all women, from 18 to 37 years old. "We had to scout around a bit to find them," says young Walsh, "but we've come up with a tremendous group that's rarin' to go. Almost all of them come from large families that are living below the poverty level, and yet have average IQ's or better. We've got them working a full 40-hour week and absences are rare."

COLLEGE AND FIELD

Participation in the program, for which trainees get a weekly stipend of about \$40, involves an equal mix of classroom and field work. The courses are taught at Laredo Junior College, and range from public health care to weekly seminars in Mexican-American history. "The purpose of the Mexican-American history course," explains Dr. Stanley Ross, coordinator of the seminar series, "is to give the trainees some understanding and pride in their background."

As for the field work, it runs the gamut from learning to give enemas and vaccines at Mercy Hospital, to visiting farm workers' families. On a typical home visit, trainees meet up with families like that of Mrs. Felicitas Hernandez. Her husband, Guadalupe, is a field hand who earns \$20-\$30 a week, out of which he pays for his two-room shack, and feeds and clothes his eight children. They and thousands of other families like them," says Mrs. Anna-Maria Ramirez, a public health nurse, "are almost completely isolated. They go nowhere, see nobody. Yet, if any of them gets sick they must have somebody to turn to, to call. And who could be better than these health assistants who know the problems so well, because many of them have come from the same background."

"Most of us have been here all our lives," adds HOPE trainee, Manuela Chavarria, "so we know how the people are. Before HOPE came, I used to work as a custodian at Mercy Hospital. There you'd see a lot of real sad cases—like tuberculosis patients who died because they were afraid or forgot to take the pills the doctor gave them, or babies who had about scratched out their own eyes with long fingernails their mothers wouldn't cut. They believed it would stop the child's growth. Now that I'm getting some training I'm

anxious to get out in the field and see what I can do about these things."

Once the health assistants have completed their training they will immediately fill the vacant slots in the public health program and at Mercy Hospital. Yet, they will not be brought with their education. HOPE's staff has already begun to map out an "in-service" training program which will provide on-going education for the new health assistants, as well as for many other nurses' aides and public health workers.

"The reason for this in-service training," explains HOPE nurse Nancy Fern, who in addition to working on the training program also puts in a full-time shift at Mercy Hospital, "is to keep the health assistants and all other health workers up-to-date. In big cities like New York and Philadelphia it is common practice to have on-going training which includes lectures and familiarization with some of the latest techniques in medical practice. But out in places like Laredo, in-service training goes by the boards. We want to make sure that the training goes on after HOPE leaves."

BEYOND LAREDO

HOPE's immediate plan is to stick around Laredo for another three years. By that time they will have trained hundreds of health assistants, some of whom will stay in Laredo, while others are expected to fan out to other needy and desolate areas.

Also within a few years, HOPE intends to start up similar projects throughout the country (a second program is already underway on the Navajo Reservation in Ganado, Arizona). And if HOPE is successful, perhaps other programs, both public and private, will follow suit. "This is just the beginning," says Dr. Leo Cigarroa, Laredo surgeon and co-chairman of HOPE's Laredo project. "If we prove here that housewives and field hands can be made into competent health workers, there's no reason why it can't be done elsewhere."

Meanwhile, the eyes of Texas, and much of the nation, are upon them. They are beginning to see that the ready solution to poor quality medicine in poor areas may not be a lot of doctors and a lot of money, but a classroom full of Oralia Camarillos and a little bit of HOPE.

VALUE OF GOOD STATISTICS FOR GOOD GOVERNMENT

Mr. BIBLE. Mr. President, most of us, I suppose, are inclined to leave statistics to the statisticians. Yet, as pointed out in a recent editorial in Barron's, the national business and financial weekly, we do so at our own risk. We could be playing Russian roulette with our economic well-being if major decisions on public policy are being based on faulty and inaccurate statistics.

During the past year, several of our major economic series have come under severe criticism, both for tardiness and inaccuracy. Among the key business statistics cited are: First, money supply; second, retail sales; third, inventories; fourth, housing data; and fifth, both actual and potential GNP—gross national product. And there are more. Several weeks ago, Mr. Julius Shishkin, Assistant Director for Statistical Policy, Bureau of the Budget, charged that today's inflation may well have been sparked by decisions based upon erroneous gross national product data in 1965.

And Chairman Paul McCracken, of the Council of Economic Advisers, stated recently that there is apparently as much

uncertainty about where we have been as where we are going.

Mr. President, I believe it is high time that we took steps to put our statistical house in order. It is meaningless to complain about our past mistakes—for one thing, there have been just too many of them. But it is a sad fact, that this Nation, the wealthiest and most advanced of all, has not been able to afford good statistics. What kind of economy is it when multibillion dollar public and private judgments must be based on a few thousand dollars worth of unreliable statistics? As stated so well in the Barron's article, "A firm grasp of one's own ignorance is the beginning of wisdom."

I ask unanimous consent that the article from Barron's of November 24, 1969, on this general subject, be printed in the RECORD at this point.

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

THE NUMBERS GAME—ERRANT STATISTICS ARE NO GUIDE TO PUBLIC POLICY

"What's making investors a little nervous right here is the unthinkable notion that an agency of government is telling the truth." Thus ironically noted Alan Abelson, our resident cynic, in his stock market column last week. After the classic fashion of oracles, his comment, which referred to the Federal Reserve Board, was suitably hedged against a sudden reversion to form. Nonetheless, from the White House on down, the Nixon Administration lately has been treating Main Street and Wall Street alike to an unsettling burst of candor, with regard to everything from the palpable bias of television newscasters to the sorry state of the nation's basic economic data. On the latter count, Maurice Mann, Assistant Director of the Bureau of the Budget, recently jolted a professional audience by sharply criticizing the tardiness and inaccuracy of government figures on inventories and retail sales; "in my opinion," he added bluntly, "we are playing 'Russian Roulette' with our economy. . . ." Concerning recent revisions in official estimates of the U.S. money supply, Paul W. McCracken, chairman of the President's Council of Economic Advisers, has bitterly complained that the "figures are falling apart on us." The chief of the three wise men went on to say: "It is perhaps not being excessively bold to suggest there is apparently as much uncertainty about where we have been as where we are going."

After eight years of government that was frequently wrong but seldom in doubt, uncertainty is refreshing. The New Frontier, which must have fancied the allusion to Plato, talked a good deal of encouraging "dialogue"; indeed, the American Bankers Association, with a bow to the concept, has just held a "Symposium on Public Policy and Economic Understanding," which is modestly labeled (in advance) as its "most prestigious meeting of the year." Yet the Kennedy Administration, when not ranting at the business community, tended to speak in a querulous, arrogant tone which brooked no reply. "Come let us reason together," was the watchword of the Great Society, even as it proceeded ruthlessly to manipulate statistics—the balance of payments and interest rates are two painful cases in point—and twist arms. Perhaps the ship of state has become so hard to navigate lately because someone on the bridge for years has been diddling the compass.

Even in the absence of tampering, the charts by which the federal powers-that-be seek to steer are fragmentary, hard-to-read and subject to change without notice. Statis-

tics on the Gross National Product no longer tally with those of the Federal Reserve Board Index of Industrial Production. A sharp advance in personal income mysteriously fails to yield either an increase in retail sales or a proportionate rise in savings. Figures on housing starts and the U.S. stock of shelter, historically wide of the mark, go from bad to worse. The data, in sum, remain what they have always been, a major roadblock to accurate forecasts of business conditions, public and private alike. Thereby they also necessarily make hash of efforts either to fine-tune the economy or indeed to turn it on and off. The fault may lie not only in ourselves but also in our stars.

Be that as it may, the statistical firmament for too long has shed only faint and fitful light. Some of the distortion, to be sure, is man-made: since mid-1966, the U.S. deliberately has confused the balance-of-payments statistics (and clouded the issues they raise) by disclosing not one set of figures but two; on the basis of official reserve transactions, which are readily prettied up or cosmeticsed, the U.S. position has looked billions of dollars better than it really is. By and large, however, official data simply suffer from inherent defects. Thus, Assistant Budget Director Mann cited the example of business inventories, swings in which, he observed, "are a major source of imbalance between aggregate demand and a desirable growth path." Nonetheless, statistics lag nearly two months behind events, and all too often fail to reflect the true state of affairs. In the fourth quarter of 1966, preliminary estimates by the Department of Commerce put the annual rate of inventory accumulation at \$13 billion, far short of the \$20 billion which the final figure proved to be.

Other horrid examples come to mind. Unemployment statistics, as we have noted before, choose to ignore the number of unfilled jobs, thereby giving the official appraisal of the labor market a lopsided bearish bias. Housing statistics fail to include either mobile or nursing homes, omissions which understate by at least one-quarter the number of dwelling units added this year to the nation's store of shelter. Even the money supply, which now looms so large in Washington's economic frame of reference, has proven unreliable. Prior to a series of recent revisions, it gave a short count both to Euro-dollar deposits and to nonmember bank holdings of vault cash. Hence, for the first six months of 1969, the figures tended to understate the growth of demand deposits and currency in circulation, and to exaggerate the impact of tight money.

The first of the revisions cited above prompted Dr. McCracken's heartfelt and widely quoted complaint; the second left him speechless. Well it might. For how can anyone predict the future if he has only a foggy notion of where things stand? Wall Street all along has tended to date the advent of monetary restraint from last December, when the Federal Reserve upped the discount rate from 5½% to 5½% and launched the stock market on its long and painful slide. Now it seems that until mid-summer, money tightened in spite, rather than because, of the Federal Reserve. Scant wonder—as FRB member Dewey Daane insisted last week—that the Fed has no early plans to relax a policy which began to bite barely three months ago. On the fiscal scene, as early budget estimates time and again have gone awry, the prognosticators also rate scant kudos. In fiscal '68, the Treasury at first forecast a deficit of \$8.3 billion; the shortfall actually exceeded \$25 billion.

Forecasts without facts; prophets without honor; public policy based on faulty premises. The mounting evidence should give pause to even the most grandiose planners. Last week Julius Shishkin, newly designated statistical expert of the Budget Bureau, disclosed that errors in computing the

gross national product four years ago helped unleash today's inflation. The GNP figures for 1965 apparently showed a yawning gap between actual and potential output; subsequent revisions of the data wiped out the gap, he told the Federal Statistics Users Conference, but not before the policy-makers had succeeded in "over-heating an already bubbling economy." Business men who should know better may call for price and wage controls, while professors may urge a so-called incomes policy (as did Professor Paul A. Samuelson of MIT at last week's ABA Symposium). Both doctrinaire groups might first reflect on the glaring inadequacies of the national income statistics. A firm grasp of one's own ignorance is the beginning of wisdom.

On this score, the Nixon Administration is light-years ahead of its predecessor's. Let it seek to improve the nation's statistics, as Mr. Mann wants. Let it keep an honest count (as, to the dismay of observers who have forgotten the earlier chicanery, it now is doing with the balance of payments). Above all, let it take a properly dim view of the dismal science. The shrill pitchmen of the New Economics have been peddling the old snake oil. High time they were called to account.

THE CRISIS OF OUR ENVIRONMENT

Mr. McGOVERN. Mr. President, the national interest in the crisis of our environment is abundantly clear. For too long we have ignored the abuse of the habitat on which all life, including man himself, depends. Now, in the last third of the 20th century, we must establish quality as well as quantity as a goal of American life.

Nowhere is this challenge greater than in the new State of Alaska, where there is unparalleled beauty and integrity of the natural environment, but also a bounty of riches that increasingly is exploitable and exploited by our modern technology.

The question is whether these riches can be utilized to the benefit of Alaska, our Nation, and the world without the destruction of the unique and priceless ecological system of the far north. The answer is still far from clear. And in large part, the future of Alaska's environment will be determined by the protections that are built into the plans for extracting the massive oil deposits that have been discovered on the North Slope.

To report on this complex picture, the St. Louis Post-Dispatch sent two reporters, William K. Wyant Jr., of the Washington bureau, and Al Delugach, of the St. Louis staff, and photographer Robert C. Holt, Jr., to Alaska last fall to study the impact of oil development on the 49th State.

Arriving in Alaska at the end of September, the Post-Dispatch team remained in the State during most of October, and the result was a series of 11 articles that were published just recently.

The articles are not hostile to commercial development of Alaska's resources, but they do very effectively call attention to the hazards of uncurbed and headlong exploitation.

The series also concerns itself with broad questions of public interest that are raised, not only for citizens of Alaska but those of the entire Nation, as large

segments of federally owned public domain are transferred to State and private hands.

The series is well written and very informative, and I commend it as a public service in portraying to American readers a very complex and important issue.

I ask unanimous consent that the series and an editorial by the Post-Dispatch be printed in the RECORD.

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

HOW OIL STRIKE BOOMS ALASKA ECONOMY (By William K. Wyant Jr. and Al Delugach)

ANCHORAGE, November 22—It is not much of an exaggeration to say that the oil industry has bought and paid for the State of Alaska. And it is moving pell-mell to develop it with the enthusiastic co-operation of state and federal officials, Congress and most of Alaska's citizenry.

This could be called the Second Alaska Purchase. The first came a century ago, in 1867, when Secretary of State William H. Seward bought Alaska from Russia for \$7,200,000. The second was dramatized last September when oil men paid the state more than \$900,000,000 for oil leases on the North Slope.

There is sentiment that the state should have received more, billions more, in this dramatic sale. Even so, the amount realized was nearly five times Alaska's total expenditures for fiscal 1968, and it is money in the bank.

Oil is having a tremendous impact on Alaska, a gorgeous but forbidding and largely trackless and unpopulated territory that entered the Union as the forty-ninth state in 1959—only 10 years ago.

The impact is political, economic and esthetic. It has enriched some Alaskans, made others more prosperous and subjected a great many to saber-toothed inflation.

Oil and gas are already a dominant source of state revenue because of production from the Cook Inlet area in south central Alaska over the last decade. They will be more important when the industry taps the North Slope.

The state's political capital is Juneau, far in the southeast and out of the oil action. The commercial capital is Anchorage, the largest city. In some vital decisions, a third capital city of Alaska is Houston, Tex., where petroleum magnificos hang their hats.

As an underdeveloped land rich in potential but low on cash, Alaska got special concessions from Congress. For example, the statehood law gave Alaska 90 per cent of the royalties and net profits from oil, gas and mineral leases on the federal domain. Other western states got less generous treatment.

The North Slope strike, made on newly acquired state lands owned until recently by the people of the United States as a whole, vaulted the state from rags to riches. No longer can Alaska be considered an economic "basket case." The tin cup has become a cornucopia.

Well aware of their state's expanded horizons and broader hopes are Alaska's Eskimos, Indians, and Aleuts, and their attorneys. The Aleuts are a southern branch of the Eskimo, hardy seafarers of the Aleutian chain. The native peoples, who owned Alaska long before the white man came, have asserted claim to most of the state. They want to share in the oil riches.

In the nineteenth century, the railroads opened up the West with federal help and not much help except from the Indians. The oil industry is opening up Alaska, and the arrows, such as they are, are coming from a new breed of American—the conservationists.

The United States, the critics say, neglected and mismanaged "Seward's Icebox" as a federal fief for a long time. With oil men now in the saddle, neglect is not the word. Billions have been invested. More will be. Alaska is seized in a burning, tearing rush to get the oil to market.

NEGLECT CHARGED

Not a point in the black gold from the North Slope has found its way into ordinary commercial channels, but things have been moving at breakneck pace since Atlantic Richfield Co. confirmed an impressive strike at Prudhoe Bay last year.

The oil was more than 8000 feet deep in Triassic sands laid down many millions of years ago. To conservationists bent on preventing damage to the Arctic's fragile tundra and the animal life there, man's extraction of a resource so long in the making could wait a while.

In contrast, and naturally enough from their viewpoint, the oil production men are not thinking in terms of geologic time. They are in a big hurry because there is a lot of money at stake. For one big company alone, it has been estimated, each day's delay in getting oil out costs \$1,000,000.

LEADERS INEXPERIENCED

The resulting crunch has convulsed a state that is more than twice the size of Texas, is largely innocent of roads, has fewer than 300,000 persons, of whom about 60,000 are Eskimos, Aleuts and Indians, and is led by a new team of politicians relatively inexperienced at the national level.

Republican Gov. Keith Miller, a former holly and mistletoe dealer, came in on the coattails of Walter J. Hickel, the Anchorage entrepreneur and booster who left the governor's office to become President Richard M. Nixon's Secretary of the Interior.

Both of Alaska's Senators, Democrat Mike Gravel and Republican Theodore (Ted) Stevens, are freshmen in Congress. Gravel was selected in 1968 and Stevens was appointed by Hickel last year. Another Republican, Howard W. Pollock, Alaska's lone Representative, is a two-term and is the state's senior member of Congress.

All these men are in the 40s and all are, like most Alaskans, enthusiastic about development. At times the enthusiasm of Alaska politicians goes to the point of embarrassing the oil companies, which must worry about public opinion in the Lower 48.

Secretary Hickel ruined himself, in the opinion of some development-minded Alaskans by ebullient statements he made just after President Nixon named him to the Cabinet. He would have done better, they feel, to have kept his mouth shut about what he was going to do for the state when he got to Washington.

In like manner, Senator Stevens, who is rated as very intelligent but has a hot temper, riled conservationists and intellectuals with a hell-roaring speech he made at a science conference at the University of Alaska late in August. It may have won him some votes in 1970, but scientists dismissed him as a Neanderthal.

"Alaskans know Alaska," one published report had Stevens saying. "I'm fed up to here with people who try to tell us how to develop our country."

The Senator spoke extempore. No text was available. As Stevens himself, ordinarily a hearty and engaging man, recalled it, he told the conference that Alaskans were not wasters and spoilers, they had the right to develop the North Slope oil, and they had enough experience to run their country in accordance with good conservation practices.

A conservationist who heard the speech complained that Stevens said in effect: "Go back to where you come from, you outsiders." An oil and gas man sympathetic to Stevens' viewpoint praised the new Senator for voicing

what was on the minds of many citizens of the state.

PIPELINE IN SPOTLIGHT

The center of attention for months has been the oil industry's Trans Alaska Pipeline System combine and its plan for throwing an 800-mile conduit of 48-inch steel pipe all the way from Prudhoe Bay on the frigid Arctic shore to the deep-water port of Valdez on the Gulf of Alaska.

The project will cost more than \$900,000,000—or something like \$1,000,000 a mile—and has been described as the biggest single privately financed construction job ever undertaken anywhere.

Involved in the Trans Alaska Pipeline System joint venture, known as TAPS, are Atlantic Richfield (ARCO) with 27½ per cent interest, British Petroleum Co., Ltd., with 27½, Humble Oil & Refining Co. with 25, and several other oil companies holding the remaining 20 per cent.

The three major companies in the venture, taking into account the fact that Humble is a subsidiary of the giant Standard Oil of New Jersey, had a combined net income in 1968 of nearly a billion and a half dollars.

If Prudhoe Bay were in the tropics, the oil could be taken to market by ship and no pipeline across the tundra would be needed. If the pipeline were being built in Oklahoma, it would offer no problem. As things are, the sea route to this oil is ice-blocked much of the year, and the overland route is an engineer's nightmare.

In bisecting Alaska on a north-south line, the pipe draining the Prudhoe Bay field will pass over, on or under hundreds of miles of federal land administered by the Bureau of Land Management of the Department of Interior. More than 95 per cent of the state's 571,000,000 square miles is still in federal hands.

The fact that the pipeline is to cross federal land meant that the TAPS combine had to get the permission of Secretary Hickel's Interior Department to go ahead with it. Hickel, in turn, could not give the green light without approval from the Senate Interior Committee, of which the chairman is Senator Henry M. Jackson (Dem.), Washington.

Under the Statehood Act, the state got the right to select more than 103,000,000 acres from federal lands. Hickel's predecessor as Interior Secretary, Stewart L. Udall, imposed a "land freeze" and halted the selection process to protect unsettled native claims.

OPPOSED BY HICKEL

Hickel opposed the land freeze as Republican Governor of Alaska. After his appointment by President Nixon, he made an off-the-cuff statement to the press that what Udall had done he, Hickel, could undo. Other Hickel utterances sounded good to impatient Alaskans but riled those in the Lower 48.

In consequence, Hickel, a rough-hewn, 50-year-old multimillionaire who made his pile in real estate, the gas utilities business and construction, found himself at a psychological disadvantage when he appeared before Senator Jackson's committee for confirmation to the Cabinet.

The committee gave the then Governor of Alaska a rough time, grilling him about his financial dealings and political actions. This reflected the hue and cry raised by conservationists, who regarded Hickel as anything but an ideal choice for the nation's chief guardian of America the Beautiful.

Before Hickel finally was confirmed, Senator Jackson extracted from him the promise that Udall's land-freeze order protecting the native claims would not be modified without prior consultation with his panel. That means that Hickel, as Secretary of the Interior, could not approve the pipeline himself but had to take the matter to Congress.

"Actually, the man who controls Alaska is Jackson—and his committee," an An-

chorage entrepreneur who has become rich in the oil and gas boom told the Post-Dispatch. "Hickel ruined himself with his first statement."

It is against this background that the oil industry's mammoth project for getting the North Slope's oil to market—the TAPS pipeline—is not simply a matter of getting a state permit but a complex, many-faceted question involving federal and state officials, Congress, conservationists, the state's native claimants and the industry itself.

Hickel, making use of his conservation-minded Under Secretary, Russell E. Train, has made every effort to give assurance that when the pipeline is built across the delicate tundra and its underlying permafrost, it will be constructed right and with proper safeguards.

Hickel created a North Slope task force in the Interior Department last April, putting Train in charge. President Nixon in May enlarged the task force to include other federal agencies. In June the oil consortium made its formal application for approval of the pipeline route.

RUPTURE WARNING

Train released a statement last summer warning that breakage of the pipeline, if not provided against, could spill 500,000 gallons for each mile of line. If anything like that amount were lost, it would be more than seven maids with seven mops could clean up.

The Interior Department and President Nixon's federal task force on Alaskan oil development—working with state officials, conservationists and industry—labored for months to prepare stipulations regulating construction of the pipeline and a service road paralleling it.

Rules were agreed on for protection of the Arctic terrain and caribou, salmon and other wildlife, and to minimize danger of a pipeline break spewing oil onto the land and into the water. In an August revision there were two fat books of rules—one for the pipeline, the second for the road. A September version boiled the stipulations down to one 34-page document.

At the beginning of October, Hickel won the applause of most Alaskans by asking the Senate and House Interior Committees to allow an easing of the land freeze to permit construction of the pipeline. The next move is up to the committees.

CONSORTIUM ACTIVE

While all this was going on, the TAPS oil consortium under its Houston top management went briskly ahead with preparations for its mammoth task, committing millions and millions of dollars on the assumption that all the roadblocks and technical problems would be cleared away in the end.

The timetable was for completing the pipeline by 1972. Under pressure of a tremendous financial investment, no time could be lost. The route was explored and surveyed. TAPS bought the pipe from Japan early this year and got moving on the terminal at Valdez, where shiploads of the massive, five-ton pipe lengths are being delivered.

Hickel, who was being criticized by his fellow Alaskans for dragging his heels on the pipeline project, came through in mid-August with a congressionally approved green light for the first big construction job related to the pipeline.

The Hickel action allowed TAPS to go forward with building of a 53-mile secondary highway from Livengood, north of the boom town of Fairbanks, to the Yukon River. It will serve as a hauling road for the pipeline. Once built, it will be turned over to the state for maintenance.

There are at present virtually no roads north of Livengood, the jumping-off place for the North Slope. The state is 2000 miles across and 1100 miles north-south, but has only

about 3000 miles of hard-surface roads connecting Fairbanks with major towns in south central Alaska and with Canada. To reach most places, the traveler goes by air.

TAPS, a private agency dealing with federal and state governments and breaking new ground for Alaska gave the road contract to Burgess Construction Co., a concern established by Lloyd Burgess, who succeeded Hickel as Republican national committeeman from Alaska and resigned from the committee July 22.

Burgess International, the parent company, had been acquired June 18 by Alaska Interstate Co., a Houston-based conglomerate in which Hickel formerly owned close to \$1,000,000 worth of stock. A few weeks thereafter, on July 7, Hickel sold his Alaska Interstate stock in compliance with a January directive of the Senate Interior Committee.

Shortly after Hickel announced the clearance for the Livengood-Yukon road in August, TAPS announced the award to Burgess. It is no great shakes in itself—an \$8,000,000 to \$10,000,000 or more job on a cost-plus basis—but is regarded as a plum because it puts Burgess in the catbird's seat for bidding on future work.

The road construction is being driven across the tundra and streams and black spruce hills north of Livengood with vigor. Like an armored division, the big cats and heavy machinery, are pushing toward the Yukon. The road and the big lengths of pipe waiting in the rain at Valdez are symbolic of the way Alaska is being opened up by oil.

Hickel warned that the fact the road had been approved did not mean the pipeline would be, but to an observer in Alaska—watching the machinery chew up the virgin land—it looked as if all systems were go.

CLASH ON OIL DEVELOPMENT

(By William K. Wyant Jr. and Al Delugach)

VALDEZ, ALASKA, November 24.—"It's sheer arrogance on the part of these conservationists," said Mayor George Gibson, a Republican, as he sat over a late afternoon cup of coffee at his grocery and clothing store. Outside it was getting dark, and a cold rain beat on the black gravel.

The major was contemplating the magnitude of the oil industry's plans for making Valdez the southern terminus of its 800-mile pipeline tapping the rich oil fields discovered last year on the Arctic North Slope. In this valley alone, the Mayor said, the outlay will be \$100,000,000.

There is a battle at present between the majority of Alaskans who, like Mayor Gilson, favor development and conservationists who want to go slow or wait a while. Not much tension is left in the struggle, because the developers are obviously prevailing.

HARD HIT BY QUAKE

Valdez, which suffered a cataclysmic blow in the 1964 earthquake, has a splendid deep-water harbor and is the most northerly ice-free seaport in the West. Oilmen seized on it as the logical place for transfer of the North Slope's oil to ships—2,000,000 barrels a day.

Inside Gilson's store there was warmth and good cheer. Alaskans are the friendliest of peoples. A block or two away the Japanese freighter Rocky Maru lay in its berth after unloading a shipment of pipe. The pipe was being stockpiled where the earthquake-shattered old town used to be, and across Valdez Arm was the oil terminal site.

Reflecting on all this activity in a town that a few years ago had nothing but magnificent scenery and a little fishing, the Mayor wondered out loud what would have happened to the Union Pacific, which opened up the West in the nineteenth century, if Abraham Lincoln had encountered the kind of opposition the pipeline is getting.

Gilson said that Valdez, which has a pop-

ulation now of about 1100 and is jumping with oil activity, might have 5000 in 10 years. A high school biology teacher, he mused, had objected that a tanker might have an accident and flood the harbor with oil.

"Yes," the Mayor said he replied, "but what if the sun doesn't rise tomorrow? It's a cruel world and you've got to take your chances."

TYPICAL MAYOR

Gilson, 53 years old, is a good example of the small-town Alaska mayors, who are basically not politicians but businessmen doing their duty. He attended the Naval Academy at Annapolis for three years, was eliminated for eye trouble, and finished at the Colorado School of Mines. He said that Valdez's new town was well built on bedrock.

The conservation issue in Alaska is much broader than the pipeline, involving as it does a broad question of whether Americans are going to repeat in this lovely new land the mistakes they made in the Lower 48 states. However, the pipeline is where the action is now.

In the Lower 48 the American people as they pushed westward toward the Pacific treated a great natural heritage as if it were inexhaustible. Special interests were permitted to ravage and exploit the land. At great cost and with indifferent success, the nation is now trying to repair damage that might have been avoided by planning and foresight.

PICTURE NO BETTER

Most Alaskans want to keep their air and water pure and their country beautiful. And most want Alaska opened up. They may be able to have it both ways, but neither the history of the United States nor the history of Alaska thus far makes that a good bet. What man is doing here is no prettier than what man did to the Lower 48.

Gilson's attitude on the pipeline and conservationists was echoed by another leading Valdez citizen, Owen Meals, 78 years old, who is building a modern house on a bluff overlooking the water, not far from the dock where the Japanese pipe is unloaded. The thermal windows look out on blue spruce and blue water.

Oil will mean much to the Valdez area, Meals said. He spoke disdainfully of "a few roadblockers" who will not or cannot open up the country themselves and want to make it impossible for outsiders to do it.

"I vote for the man who can get things done," Meals said when asked about his politics. He is the retired head of the community's electric and telephone system. His view of Alaska's Walter J. Hickel, former Republican Governor who is now Secretary of the Interior, is that Hickel has talked too much.

SPECTACULAR ROUTE

The highway out of Valdez to Glenallen rises steeply through the Chugach Mountains via Thompson Pass (elevation 2722 feet). It is a wild, spectacular drive, winding up Keystone Canyon, past the fast-flowing Lowe River and Worthington Glacier. The pipeline must make this passage with its freight of hot oil.

Farther north, as the pipeline snakes its way from the North Slope, the engineering will be tougher, not because the route is more mountainous but because the terrain is underlain by permafrost—Alaska's major construction headache. It is not clear how this difficulty will be surmounted.

Permafrost is a layer of permanently frozen ice and soil. Eighty-five per cent of Alaska is in the permafrost region. Trying to build something on it is like placing a hot penny on an ice cream cone.

What if the oil-burdened pipeline breaks because of soil instability due to permafrost? What if an earthquake shears it? These and other problems worry conservationists and construction men alike. A broken line would be a terrible mess.

CONCERN OVER SHIPS

Fears of a pipeline spill or other damage are matched by concern over the possibility of a marine disaster in the Arctic if the Northwest Passage through northern Canada turns out to be a feasible way of getting part of the North Slope's oil to eastern markets.

The Northwest Passage route was explored last summer and fall by the supertanker Manhattan in a voyage supported by Humble Oil and the other two major companies involved in the overland pipeline—Atlantic Richfield and British Petroleum.

It is obvious that up to a point the conservationists, the oil men and the politicians have an identity of interest. A pipeline that kept breaking would be no good from the industry's stand-point, ruinous to the land and its inhabitants, disastrous to the public men—Hickel and others—who helped the project along.

Beyond the question of stability, the public and private interests may diverge. The oil companies and their crews, as they press through and open up the Arctic, can cause great damage to the environment and bring new population pressures with which undermanned state and federal agencies are not ready to cope.

NO RUGGED INDIVIDUALISM

"Neither the physical nor the biological environment of this region can stand a heiter-skelter, individual advantage approach to development within the context of nineteenth century rugged individualism," David M. Hickok of Anchorage said at an Interior Department hearing in August.

Hickok is natural resources officer with the Federal Field Committee for Development Planning in Alaska. This Government agency, which has served the state as a "think tank," was headed until May by Joseph H. Fitzgerald, now director of community affairs for Atlantic Richfield Co.

The presence of Fitzgerald in the oil fraternity is reassuring to Alaskans who support oil development, but want it properly managed. He is a Rhodes scholar and former Ozark Airlines president, greatly respected in the state.

Up to now, in the absence of state rules, the oil explorers have run wild on the North Slope. Hickok saw no reason why the pipeline should not be approved under proper conditions. He assumed that it would be. However, he termed inexcusable the oil barrel and garbage litter that has piled up.

CONFLICT INCREASED

The North Slope oil discovery, which may turn out to be the richest ever in North America, intensified a conflict between oil and conservation that has been going on for years. It is part of a much larger picture in which other industries—fishing, mining, timber—have sought to exploit Alaska's wealth.

Oil men penetrating Alaska have shown an increasing awareness of the importance of vital sanitation and pollution problems. Cynics may dismiss this as window-dressing, but it goes beyond that. Conservationists tend to give the industry credit for good intentions.

"The people from the oil companies may be sincere in the desire not to foul up the landscape, but it's the guy on the bulldozer in the field who is going to do the damage," said Lloyd Tupling of the Sierra Club, a powerful conservation group. Among the concerned, one hears this point made all over Alaska.

BEGAN IN 1902

Oil drilling in Alaska began in 1902 but only recently have oil and gas explorations and production become the economic backbone of the state. The growth has been remarkable. In 1960 the value of oil and gas production was only \$1,300,000 but in 1968 it had climbed to \$187,900,000 and was, when

coupled with nearly \$31,000,000 in minerals output, at the head of the list among Alaska's resource industries.

The end is nowhere in sight, for the vast oil reserves of the North Slope—where the excitement is now—have not got into production. All the current oil and gas output from Alaska comes from the previously discovered and developed Cook Inlet-Kenai areas a short distance southwest of the principal city of Anchorage.

Oil development has ruffled the fur of conservationists in Alaska almost from the beginning. In 1923 President Warren G. Harding set aside a 37,000-square-mile tract around Barrow as the Navy's Petroleum Reserve No. 4. This is on the North Slope just west of the state lands on which last year's epochal strike was made.

EXPLORED BY NAVY

The Navy Department started exploring the reserve in 1944—in World War II—and some oil and gas was found but not put in production. Cities are still complaining about the litter, such as oil cans and other debris, left on the slope. The Federal Government has been called the greatest litterbug in the Arctic.

The Navy's Arctic Research Laboratory at Barrow, under Max Brewer, is credited with decades of scientific work that have gone far toward making the North Slope commercial oil development possible. The federal investment there over the years has been put at about \$55,000,000.

Far to the south, in relatively temperate climes, the former Richfield Oil Corp.—now Atlantic Richfield—discovered the lucrative Swanson River field in Kenai National Moose Range, a 2700-square-mile wildlife refuge on the eastern shore of Cook Inlet. This, in 1957, was the state's first commercial oilfield.

BOOM CREATED

The oil companies created a boom in the town of Kenai and spread oil rigs like great golden argosies in Cook Inlet. They are pouring money into the state's coffers. Gas from the field is piped to Anchorage under contract with Anchorage Natural Gas Co., of which Interior Secretary Hickel was formerly board chairman.

Petroleum's presence on the Moose Range, which had been established in 1941, has been hailed as a model of industry-Government co-operative endeavor from which all have benefited, including the moose. Actually the range is not what it used to be. Oil and politics have changed its character.

"The ordinary guy in Alaska—90 times out of 100—is all for development and to hell with conservation," said an official long familiar with the state. Another said: "The Alaskan himself is a frontier animal. He came up here to get away from rules."

One of those impatient with the restrictions being imposed by federal and other rule-makers is Locke Jacobs Jr. of Anchorage, a former Army-Navy store clerk who was a millionaire at 30 and now, at 40, is reaping the rewards of his expertise on oil and gas properties.

CHASES THE DOLLAR

"Basically, I must chase the dollar," said Jacobs. He is an energetic, well-spoken man who smokes big cigars, has a polar bear rug in his office, and enjoys showing visitors mineral samples and heavy canvas bags of gold nuggets he keeps in his safe.

Like Mayor Gilson of Valdez, Jacobs favored full steam ahead for Alaska. He admired former Gov. Hickel as a man of action, saying: "Wally is a doer and a goer . . . He'd just as soon tromp on you as look at you."

It is Jacobs's hunch that development of hard-rock minerals, which has been lagging while oil and gas soared, will be big in the future. He handed across the table heavy chunks of copper and silver ores. As nationalist fervor makes it hot for American

capital in foreign countries, he thinks, mining interests will turn to Alaska.

The hunches of Jacobs have paid off well. He is a man who likes to stay ahead of the game.

UPROAR RIDICULED

Jacobs said he agreed with conservationists that damage to the environment should be kept to a minimum, even if doing the job right costs more, but he considered the uproar about the oil pipeline and the new road to the North ridiculous. The state, he said, is getting a free highway.

There is a disposition among development-minded Alaskans such as Jacobs to believe that the Federal Government, which ruled Alaska for so long and still owns most of the state, is too slow in giving up its suzerainty now that Alaska has entered the Union.

"The Interior Department," said Jacobs, "is reluctant to give up this country . . ."

Another strongly held Alaskan view in that the citizens of the Lower 48, having trod the primrose path themselves, are insisting to an unreasonable degree that Alaska take the rocky road of virtue. A frequent complaint is that conservationists have obtained the upper hand.

"Really," Jacobs said, "they almost want to keep this thing in an icebox,— these rule makers. These boys sitting in an office can kill an industry."

HICKEL'S BUSINESS HANDLED BY BROTHER (By William K. Wyant, Jr. and Al Delugach)

ANCHORAGE, November 25.—Secretary of the Interior Walter J. Hickel's business interests are alive and well in Alaska.

A prominent part of the scene here, Hickel Investment Co., is under management of his brother Vernon while Walter is in Washington. The firm, owned by Walter Hickel and his wife, is estimated to have a \$5,000,000 net worth. It operates a construction business, four hotels and two shopping centers.

Hickel Investment was recently given a contract for about \$1,000,000 worth of construction on Atlantic Richfield Oil Company's expanding Alaskan headquarters here, the Post-Dispatch learned.

Atlantic Richfield does not own its building, but leases it from a corporation whose vice president is also vice president of the Hickel firm. The building is in the name of 700 Building Inc., which engages in no other business.

HUGE STAKE

As one of the Big Three in the fabulous oil boom, Atlantic Richfield has a huge stake in Hickel's official decisions as guardian of the public's lands.

The most recent and crucial decision on Alaskan oil to come before Hickel is whether the major oil firms may build a pipeline the length of the state. Early last month Hickel asked the Senate and House Interior Committee to clear the way for approval, but they have not acted.

As Secretary of the Interior, Hickel will be faced with other decisions involving United States lands in Alaska, including whether to allow oil exploration in the Arctic Wildlife Refuge.

At a Senate hearing last January on his appointment by President Richard M. Nixon, Hickel agreed to divest himself of certain business and stock holdings deemed a threat of conflict of interest.

Senator Henry M. Jackson (Dem.), Washington, powerful chairman of the Senate Interior Committee, decided in view of Hickel's promises that it would not be necessary for him to put his remaining business affairs in a trust.

The Post-Dispatch learned that the construction work on the Atlantic Richfield Building went to the Hickel company without competitive bidding.

The job is a four-story addition, which was started recently, to Atlantic Richfield's quarters in downtown Anchorage. The addition adjoins the oil company's present 3-year-old building, also four stories high.

ANOTHER ADDITION

Last April the Hickel firm completed an addition of two floors on the present oil company building, the Post-Dispatch learned also. The work began in June 1968, while Hickel was Governor of Alaska. The earlier job also was given without competitive bidding.

The construction of an oil company headquarters did not come out in the Senate confirmation hearing, in which Hickel's views, enterprises and actions as Governor were scrutinized for five days.

Before he was finally confirmed by the Senate, Hickel was criticized strongly by several Senators as having close ties to the oil industry and being sensitive to conflict of interest.

Vernon Hickel told the Post-Dispatch recently that Hickel Investment had had a total of \$1,200,000 in construction work on the Atlantic Richfield Building, including the first addition.

CONNECTIONS CITED

The contract, he pointed out, is not with the oil company but with 700 Building Inc., whose president is E. E. (Gene) Silberer, a real estate broker. Vernon Hickel did not mention that the vice president of the Hickel firm, Richard L. Silberer, is Gene Silberer's son.

Gene Silberer told the Post-Dispatch that his son, who "used to be a carpenter for Wally," was vice president of 700 Building Inc. and Gene's wife is secretary.

He said also that the Atlantic Richfield Building was his property and that Walter Hickel had no financial interest in it. Silberer said he had sold much real estate for Hickel over the years, but they had never been business partners.

A spokesman for Atlantic Richfield said that the company had dealt only with the Silberers on its building.

SIGNATURE ON CONTRACTS

Richard Silberer's signature is on the building permits for the contractor on both additions to the building, city records show.

Discussing the matter with a reporter, Gene Silberer pulled old records out of a filing cabinet to show that Atlantic Richfield had been a tenant of his company since February 1964.

He said that 700 Building Inc. got its name from the address of the original building he leased to Atlantic Richfield from 1964 until the present one was occupied in 1966.

The new addition will be four stories initially, Silberer said, but it is planned to be expandable to eight, on which he estimates the cost at \$2,700,000.

Atlantic Richfield has signed a long-term lease on the first four floors and has an option on another four, Silberer said.

He said that the work was let to the Hickel firm without bids because of time pressures. In the case of the newest addition, he said, the oil firm wants completion next September, and there was a rush to get the foundation in before this winter.

Silberer said the Hickel company was the second best bidder for the first two floors of the present building and the job was awarded to another contractor.

Figures on the rent that Atlantic Richfield is paying to 700 Building Inc. and the profit the Hickel company is expected to get on the construction work were not available.

Similarly, key details on the sale of Hickel's assets, sold in compliance with the desires of the Senate committee, are obscured from public inspection because the sale is in the realm of private transactions.

OFFICES IN HOUSTON

The most valuable of these assets, it appeared, was his interest in Alaska Interstate. The firm, a conglomerate, has headquarters in Houston. Its Alaska holdings include a natural gas pipeline and a franchise to serve the city of Anchorage. Hickel was one of seven Alaskans who got in on the ground floor of the natural gas enterprise 10 years ago.

Efforts to learn who bought Hickel's stock in Alaska Interstate were unavailing.

He acquired 32,316 shares of the stock at a total cost of \$141,000, the Senate had been informed last January. Senator Lee Metcalf (Dem.), Montana, observed that the stock had increased in value fourfold during Hickel's term as Governor. Metcalf added: "Happiness is Alaska Interstate."

Hickel was allowed six months by Senator Jackson to sell the stock, and in June Vernon Hickel asked for and received a six-month extension.

At the time Hickel's stock was reportedly sold last July 7, within the initial time allotted, it was worth more than \$900,000 on the market.

However, an Interior Department spokesman was quoted as saying that Hickel would have made \$250,000 more if the stock had been held two more days.

A big surge occurred in the stock's market price within two days of Alaska Interstate's announcement in mid-June that it was acquiring Burgess International Inc.

The Burgess firm has done millions of dollars worth of construction work for oil companies in Alaska and has prospects of doing much more. Its owner, Lloyd Burgess, had succeeded Hickel as Republican national committeeman for Alaska in 1964.

SAW NOTHING WRONG

Senator Jackson was quoted June 25 as saying he saw nothing wrong in Hickel's stock disposal plan. As to the sharp rise in Alaska Interstate stock on the market after the Burgess announcement, he said: "Burgess is active on the North Slope, and that is all you have to say to sell it."

The Post-Dispatch sought to learn more about the sale, because the divestiture was a major requirement by the Senate committee. Also, there is the matter of the big jump in the market value after the developments related to Alaskan oil.

Who bought the stock, what was the exact price and who owns it now? The answers remain a mystery.

About June 21 Vernon Hickel was quoted in Anchorage as saying that the stock was turned over to a broker early in June with instructions to sell it "at an opportune time."

On July 10 an Interior Department spokesman reported that the stock was sold July 7. On that day the price on the American Stock Exchange ranged from 28¼ to 29½, which is somewhat higher than the \$28 Vernon Hickel told the Post-Dispatch his brother's stock brought.

Shortly after Walter Hickel took office, the Alaska Interstate price had dipped to about 20. It rose to 35 on July 9. The rise that had begun in June continued to a peak of 49½ in late summer.

According to Anchorage newspapers, Vernon Hickel refused to discuss the stock matter July 9, saying, "I don't think that's a public matter."

He recently told the Post-Dispatch that he did not know who bought the stock. He said that the Seattle office of Dean Witter, a brokerage firm, handled the sale.

ADDITIONAL DATA

Some additional information was given by Richard Sassara, of the Seattle brokerage firm of Foster & Marshall, Inc., which is correspondent with Loeb Rhoades, a New York investment firm.

Sassara said that Foster & Marshall and Loeb Rhoades bought the stock for their clients. However, he said he was not at liberty to disclose their identities.

Coincidentally, Foster & Marshall handled a projected public stock offering by Burgess International last spring. The offering was dropped in favor of merger with Alaska Interstate.

Robert Baldwin, president of Alaska Interstate, told the Post-Dispatch that he did not know who bought Hickel's stock.

"He (Walter Hickel) told me he sold it," Baldwin said.

Asked whether the corporation's stock transfer records would show the subsequent ownership, Baldwin said they would show only brokers' names.

Further, he said he would not be able to find from records the date of the sale. He said the approximately 30,000 shares would be part of the total transactions involving trading in Alaska Interstate stock on a given day.

Although Hickel's stock represented 2 percent of the outstanding shares, Baldwin said it was not a large enough block to stand out on a particular day's trading.

Interviewed in his Houston headquarters, Baldwin did not offer to look at or show any of the firm's stock transfer records.

MODEST OFFICE

Vernon Hickel, who at 41 is nine years younger than the Secretary of the Interior, was found at his desk in a modest office suite above an Anchorage plumbing firm that Walter Hickel sold also in consideration of the Senate's desires.

Stocky and round-faced, Vernon Hickel shows a marked resemblance to his brother. He spoke with some bitterness about the requirements imposed on Walter Hickel regarding financial holdings.

Bearing such a cost to serve in public office "isn't worth it; there's no way," Vernon declared.

Pretty soon, he said, the country will not be able to get a qualified man to serve—"only a stumblebum" could afford it.

He continued that others in Government were not quizzed about their finances, nor did they have to sell business interests. As an example, he mentioned the man serving under his brother as under secretary of the interior, Russell Train. Vernon Hickel said that Train had a large portfolio of stocks that no one troubled him about.

Whatever hardships the Secretary of the Interior suffered by having to liquidate some of his holdings are not apparent to his friends in Alaska. They credit him with being an astute businessman.

The small but elegant Captain Cook Hotel in Anchorage, the modern Travelers Inns there and in Fairbanks, and the shopping centers seem to be the thriving.

In the Senate debate on Hickel, Senator Metcalf expressed misgivings about the appointment but said he would vote for confirmation.

Metcalf expressed hope that Hickel would devote to his new job "the energy that he has devoted to his real estate and contracting business that enabled him to build a fortune."

CARVING ROAD TO ALASKA OIL

(By William K. Wyant Jr. and Al Delugach)

LIVENGOOD, ALASKA, November 26.—From a low-flying Cessna plane, mile after mile of monster machines could be seen rushing in both directions along a swath carved through forested highlands in north-central Alaska.

It looked like an armored division engaged in a desperate battle, but with nature instead of human foes.

This is perhaps the greatest array of modern road-building equipment, millions of dollars worth, that has been assembled in the state.

The reason for the great concentration of expensive effort: oil.

It is an impressive demonstration of the way the oil industry can mobilize on a massive scale the forces to accomplish a top-priority job.

In this case it is a 53-mile-long stretch of access road for an 800-mile, billion-dollar pipeline construction. The pipeline job itself will dwarf in size and difficulty all the other work accomplished in connection with the North Slope oil strike.

GRAVEL ROAD

The gravel road will extend from here to the Yukon River. After the pipeline is built, the oil industry is to turn the road over to the state.

The project illustrates a number of things about the unfolding Alaskan oil drama.

Because the multimillion-dollar road job is predicated on the industry's getting federal permission for the pipeline, it represents either a fantastic gamble or an index of certainty that the pipeline will be given the green light.

The project illustrates also the central role that a single Alaskan firm, Burgess International Inc., is playing in the construction work that the big oil companies are having done.

Burgess was founded by Lloyd Burgess, who resigned July 22 as Republican national committeeman for Alaska. Ownership of Burgess was sold last June to Alaska Interstate, a Houston conglomerate.

Burgess stock exchanged for Alaska Interstate stock worth about \$7,000,000 on the market at the time.

HICKEL SOLD STOCK

Alaska Interstate is the company in which Secretary of the Interior Walter J. Hickel reportedly sold his stock, estimated to be worth over \$900,000, last July 7. The sale was required by the Senate prior to his confirmation last January. The reason for the divestment was the connection between Alaska Interstate and the oil industry, many of whose activities are regulated by the Secretary of the Interior.

Burgess Construction Co., a subsidiary of Burgess International is constructing the pipeline road on a cost-plus basis. The construction firm's president is George MacClanahan, who served as Gov. Hickel's public works director in 1967 while on leave of absence from the firm.

As in most instances of private financial matters involving Alaskan oil development, it is difficult to obtain details about the pipeline road contract.

Public announcements do not usually reflect the dates that agreements were reached or contracts signed.

INQUIRY TURNED ASIDE

There were announcements on June 19 that Alaska Interstate was acquiring Burgess, on July 10 that Hickel had sold his Alaska Interstate stock, on Aug. 14 that Hickel had authorized the pipeline road and Aug. 20 that Burgess had received the road contract.

Weeks earlier, however, other competitors for the road job reportedly had been informed that they had not been selected.

An inquiry by the Post-Dispatch as to just when Burgess had been selected as the contractor was turned aside by George C. Hughes Jr., project manager for Trans-Alaska Pipeline System (TAPS). TAPS, a consortium of oil firms operating on the North Slope, is paying for the road as well as the pipeline. TAPS headquarters is in Houston.

Hughes said he did not think the date of Burgess's selection was significant. Later, however, he said, "We've been talking to road contractors since last January."

Even before that, Burgess had been working on the North Slope for the same oil companies that own TAPS. The firm was doing millions of dollars worth of construction on air strips and roads around Prudhoe Bay.

The pipeline road is regarded by some experts as special. It enabled Burgess to gather an array of equipment that will be an asset in any competition for extension of the road 350 miles farther to the North Slope.

According to Joe LaRocca, resources editor of the Fairbanks Daily News-Miner, the Burgess company began assembling construction equipment and a base camp near here some days before the contract was announced.

Although official estimates of the cost of the 53-mile stretch have remained at the original \$8,000,000 to \$10,000,000, some experts have said it will cost \$15,000,000 or more.

Hughes said the time pinch had prevented TAPS from seeking the type of contract providing a firm price.

"We got proposals from a number of contractors in a hurry," he told the Post-Dispatch. "We had to get someone with equipment on the ground in the general area, so we could mobilize in a hurry. We just had a few weeks before we started working, and the state didn't have its permit yet (from Hickel)."

He said the contractors' proposals were based on equipment and labor rates and profit margin. He added:

"We think we know who gave us the best proposal."

Major national firms that bid against Burgess included Peter Kiewit and Sons. Subsequently, Kiewit received from TAPS a contract to clear land for the pipeline terminal at the southern port of Valdez.

The TAPS road project recalls the state's controversial winter haul road from here to the North Slope, scene of feverish exploratory oil drilling last winter.

Initiated by Hickel while he was governor, the winter road was named the Walter J. Hickel Highway by his successor, Gov. Keith Miller.

Burgess clearly was not the best bidder for the job, but its bulldozers ended up doing the work. It's bid of \$283,000 for the 420-mile road was bested by one of \$237,400 by Anchorage Asphalt Paving Co.

About two weeks after bids were opened for the rush job, the Hickel administration suddenly reversed its field, threw out all bids and announced state crews would build the road. It conceded that costs would be higher, but said the job would go faster.

Also, an official explained, the experience with winter construction would enable the state to handle future bidding on such work more competently.

The state then rented Burgess tractors at \$20 and \$25 an hour for the job.

The state belatedly completed the road at double the amount of the \$237,400 low bid. The cost, including maintenance during the month the road could be used, was reported to have soared to \$750,000. Only about 7000 tons of freight were moved over the road.

Since then it has been a political football and an object of horror to conservation-minded Alaskans.

The latter reaction resulted because the road was scraped out of the fragile tundra, instead of being built on a protective layer of gravel. During the summer thaw, the road resembled a canal.

Gov. Miller announced Sept. 24 that the road would not be rebuilt this year until "adequate funds" were available. He said estimates of the cost of reopening and maintenance run up to \$1,500,000 and that only \$433,000 was available. However, he said:

"We are convinced that the state's action in opening the Hickel Highway last winter demonstrated the state's willingness to press for and co-operate in the orderly development of northern Alaska, and this action very likely had a significant favorable effect on the recent oil and gas lease sale."

By contrast with the Hickel Highway, the

methods used by Burgess on the TAPS road have been praised by state and federal overseers.

Secretary of the Interior Hickel, in signing the order allowing the road to go ahead, said it would be regarded as a "showpiece to the nation that the fundamental questions arising from the impact of modern technology upon a delicate ecosystem can be resolved without detrimental effects upon the environment or the native peoples."

"I would emphasize," he said, "that the performance on this road construction will bear direct relevance to our subsequent response to the 800-mile pipeline application."

One of the competitors for pipeline work will be Burgess.

Since becoming a subsidiary of Alaska Interstate, the firm has entered into a joint venture with still another Houston-based company, Houston Contracting Co., on all future work for oil companies in Alaska.

Houston Contracting is a pipeline builder, and indications are the combine has a good shot at a share of the TAPS project.

Last spring, when Burgess was considering a public offering of its stock, Burgess filed a prospectus with the Securities and Exchange Commission. It throws some light on the company's status in the oil boom.

The prospectus stated that Burgess was the largest contractor doing all its business in Alaska, doing work there for Atlantic Richfield, British Petroleum, Standard Oil of California and Mobil Oil.

"Success in the construction industry," the prospectus said, "is measured in large part by the organization's ability to estimate with reasonable accuracy the cost to be incurred in projects awarded . . ."

However, it noted also that the contracts with the oil firms on the North Slope were obtained "on a negotiated basis."

The prospectus said Burgess had spent \$3,900,000 for road building and heavy-construction equipment in the five-year period between 1964 and 1968.

In just the first three months of 1969 Burgess bought \$3,500,000 worth of additional heavy construction equipment, it revealed.

Burgess happened to be the greatest beneficiary of the tidal wave of low interest, federal disaster loans after a flood in Fairbanks in 1967.

The construction company itself got one \$1,000,000 loan, and Burgess and his business interests got two more loans totaling \$526,400. The Small Business Administration loans bear only 3 per cent interest.

Criticism of the SBA's lavishing hundred of thousands of dollars in loans each to a number of wealthy businessmen after the flood was reportedly a factor in tightening of SBA rules last April.

But there is no question that the \$155,900,000 in SBA loans devoted to the Fairbanks flood and the 1964 earthquake in the Anchorage area represented a massive boost to the Alaskan economy prior to the oil bonanza.

BONANZA AND DISSENT

(By William K. Wyant, Jr., and Al Delugach)

ANCHORAGE, November 28.—The oil industry's Alaskan Purchase may go down in history as one of the biggest bargains since Manhattan was bought from a band of innocents in loin-cloths.

The dazzling sight of \$900,000,000 cash has, for many Alaskans, obscured the dimensions of the mineral wealth that was bartered for it. The North Slope may well be the richest oil province ever found.

The state held its famous oil lease sale on Sept. 10. The drama of industrial giants bidding staggering sums captured the imagination of people thousands of miles from Alaska. It was a one-day bonanza unrivaled in the state's annals, though it fell short of some forecast as high as \$1,500,000,000.

However, in Washington on Wednesday the Department of the Interior was asked to cite legal authority for the \$900,000,000 oil lease sale.

Russell E. Train, under secretary of the Interior, was asked at a House interior subcommittee hearing what authority Alaska had for the sale of state leases on the North Slope.

The subcommittee chairman, Representative James A. Haley (Dem.) Florida, said that Alaska had "raked in" about \$900,000,000 for leases covering lands not owned by the state.

Train said that his department had given tentative approval to Alaska's claims on oil lands in the Prudhoe Bay area but that the state did not yet have patent ownership.

Waves of euphoria rolled in on the newly rich state. Top state officials led the merry splashing in the surf.

But signs have been increasing that Alaska has realized only a fraction of the oil's worth. And people are beginning to talk more of increasing taxes on the oil production as one way of recouping.

Gov. Keith Miller, a Republican, has said he does not intend to ask for an increase in the severance tax when the Legislature meets in January. But Republican and Democratic legislators are making noises about doing it anyway. Alaskans are independent in politics as in other ways.

Even before the September oil lease sale, there were public warnings that the procedure were not likely to maximize the public's share of the state's irreplaceable minerals.

Economists and others asserted that, under the bonus bidding system, the firms that discovered oil on the North Slope already had achieved a monumental windfall.

North Slope lease sales from 1965 to 1967 had brought in a total of \$12,000,000 in cash bonuses. The big Three in the oil strike paid \$5,600,000 of that amount for land where oil believed to be worth several hundred times that amount has been tapped.

The warnings about the lease sale were overridden by state officials and the leasing went on under the old ground rules. That it brought in \$900,000,000 did not still the critics.

Post-sale announcements have disclosed additional successful wells in the same Prudhoe Bay area on the Arctic Ocean. They have shed new light on the relatively modest estimates of how much oil underlies the frozen wasteland.

The earlier assessment of 5 billion to 10 billion barrels—which itself would be a record size for a United States oil field—has given way to figures as high as 100 billion barrels. At \$2 or \$3 a barrel, the riches in even half that amount become staggering.

The joys of sudden riches, although still manifest, have been modified by second thoughts and litigation and I-told-you-so expressions.

Aside from the sufficiency of the lump-sum bonuses paid by the oil companies, serious questions have been raised about the amount the state will receive in royalties and taxes on the oil that is eventually produced. The state's bite is much smaller than is obtained by many other states and foreign countries.

COURT BATTLES LIKELY

Lawsuits filed in the wake of the lease sale pose possibilities of protracted court fights over some of the tracts.

The legal actions center on rejected offers of royalties several times larger than the 12½ per cent that the state will get under the sale rules. The difference could be hundreds of millions of dollars on tracts that do contain oil deposits.

State officials are sticking to their guns, however. They maintain that the public came out very well in the sale.

The official position was given the Post-Dispatch recently by Thomas Kelly, a former

oil industry geologist and executive, who is state commissioner of natural resources.

Kelly, an appointee of Gov. Walter J. Hickel, conducted the lease sale.

Kelly said the sale was well timed. Further, he hinted that the state actually out maneuvered and out-psyched the oil industry. An asset, he said, was the "romantic factor" given to the bidding psychology by last year's dramatic oil strike.

"It was certainly to our advantage to move when we did," he said. "That is not to say they won't find several more large fields. . . ."

CHANCE OF DRY HOLES

But, he continued, the nature of oil fields is that a majority of the tracts will not have oil under them and some companies will end up drilling dry holes.

The criterion for the sale's success, he indicated, was the amount of money "left on the table." This, he explained, is the difference of several hundred thousand dollars between the winning bids and the next highest ones.

However, he did concede that some changes might be in order for future lease sales, both as to royalties and bidding procedures.

Kelly, an affable and self-possessed young man, who like many others was transplanted from Texas to Alaska, is still credited widely in Alaska as a man who got a good deal for the state.

That his origins are in the oil industry he regulates is not of concern to most Alaskans, it appears.

OILMAN'S STEPSON

It was brought out in the Senate confirmation hearings last January on the appointment of Hickel as Secretary of the Interior that his appointee, Kelly, is a stepson of Michael Halbouty, head of Halbouty Oil Co. of Texas. Michael Halbouty formerly was in business with Hickel in Alaska.

Referring to Kelly's oil background, Hickel explained to the Senate committee:

"You have to get these men from somewhere."

Further, it was brought out in the hearing that Kelly had bought 1400 shares of British Petroleum Co., one of the North Slope Big Three, after he assumed the state office that has jurisdiction over oil leasing.

To a question by a Senator, Hickel said he had not received many complaints about Kelly's "being oriented very much toward the oil industry."

"Really," said Hickel, "I think if you would go talk to the Alaskans, they are very, very happy, and proud that we have that kind of a person doing the magnificent job he is doing."

Post-Dispatch reporters found this to be true of many Alaskans.

OPPOSED BY LAWYER

One of the major exceptions is a lawyer, Edgar Paul Boyko of Anchorage, who is involved in a lawsuit against the state over the September oil lease sale.

Although a Democrat, Boyko had served for a year as state attorney general as an appointee of Gov. Hickel.

In his suit Boyko represents himself, three other individuals and two independent oil companies.

They are seeking to overturn awards on 35 of the 179 tracts of North Slope acreage. Each tract has 2560 acres.

The individuals had submitted bids offering 37½ per cent royalties on 25 tracts, and the two oil companies' bids offered 27½ per cent, all with small cash bonuses.

Bids providing much greater cash bonuses and the standard 12½ per cent royalty were accepted by Kelly as the winners.

The suit contends state officials violated the Alaskan constitution by making what is in effect a gift of public money or property to the winners. The gift is the difference in revenue the state would receive with the higher royalties, the petition claims.

SUIT BY SMALL FIRMS

Champion Oil Co., an obscure Alaskan corporation, which bid \$1 on all 179 tracts and ended up high bidder on seven, has brought a lawsuit. Its bids were rejected as too low. The company asks the court to determine a value of the seven tracts and direct the state to issue leases to Champion after its payment of the court-fixed bonuses.

Verbal shelling of the state administration has come from the Alaska Independent Oil and Gas Association, which has an obvious financial interest in rules of future lease sales.

"The giant oil companies could have taken the funds they paid for the North Slope leases out of their petty cash boxes," it said in a bit of hyperbole.

The association said the 12½ per cent royalty to Alaska is sinfully small compared with 25 per cent in Oklahoma, 57 per cent in Venezuela and 60 to 80 per cent in the Middle East.

The cash bonuses on which the September lease sale were based are minor compared to what higher royalties would have brought the state, it said.

Alaska Construction & Oil, a magazine with expertise and a record of objectivity, said this month that there was increasing feeling in Alaska that the state "isn't getting a fair shake from the oil industry." This sentiment is being manifest in talk of increasing the present 3 per cent severance tax on oil taken out of the ground, it noted.

Kelly told the Post-Dispatch that a sliding scale of royalties probably would be in order in future leasing, with higher percentage on the richer oil fields, such as those of the North Slope. But he said he does not favor a quick tax hike.

"If we arbitrarily start jockeying the rate around," he said, "we might get less. No one is going to drill for oil unless they are assured of getting a fair return. The time to increase the tax is after they start producing and see how it is."

Kelly said the Prudhoe Bay field would not be proved until actual production starts.

Some key legislators of both parties are among those who are frankly concerned about the state's policies in oil and gas leasing. One is Brad Phillips, a Republican and leader of the Senate.

"Presently," Phillips said, "one man makes all decisions for the state regarding the oil industry. Everywhere else in the world there is a body, a commission or something, that develops policy, rules and regulations. It is extremely dangerous to have this function in a single person's hands."

The Legislature, Phillips said, must develop a broader policy. He went on:

"We have come of age and we have got to stop operating as though we are still on horseback."

Some Republican and Democratic state senators were disturbed this year by another state oil transaction, which originated with Gov. Hickel last year and was concluded by Kelly last January.

A Senate committee held a hearing in April into a multi-million-dollar profit turned by a Midland, Tex., group that received a contract to buy the state's royalty oil in Cook Inlet. The contract was negotiated on a non-competitive basis.

What bothered the senators chiefly was that the Alaska Oil & Refining Co. of Midland, whose stockholders reportedly invested \$2,500,000 capital, sold their interest shortly afterward to Tesoro Oil Co. of Texas, for a profit of from \$2,500,000 to \$7,500,000. Alaska Oil & Refining shareholders received Tesoro stock valued at \$5,000,000 and are to receive a like amount if a certain level of net profits is achieved in five years.

Frank J. Cahoon, president of Alaska Oil, told the committee he wanted to build a refinery in Alaska and was unable to buy oil

from the oil companies pumping it in Cook Inlet.

He said he approached Kelly and Gov. Hickel in April 1968 and suggested purchasing oil that the state can take as its royalty in lieu of cash.

Cahoon said his firm committed itself to building a refinery and that the negotiation of a noncompetitive sale of the royalty oil was approved by the state attorney general.

Senator Elton E. Engstrom, committee chairman and a Republican, brought out that Kelly knew of the merger negotiations between Alaska Oil and Tesoro before the state contract was signed. Kelly said he did not negotiate directly with Tesoro because its representatives did not get in touch with state officials on the subject.

When Senator Edward Merdes, a Democrat, said he thought the people of Alaska should have received the \$7,500,000 profit paid by Tesoro, Kelly said:

"I think we are most fortunate in having an organization (that) wanted to come up here and build a refinery. Now, the manner in which they negotiated their settlement is certainly a matter of their own business and concern. I don't see how you can say the state could have turned around and have made the same amount of money from somebody else."

Senator Engstrom observed: "It is in the state's interest to have received the bonanza that these individuals received . . . Now we have given the advantage to seven or eight Texans. As far as I can see, men of the most modest circumstances—we have made them overnight millionaires."

U.S. ANTITRUST INQUIRY IN ALASKA OIL LEASURES

(By William K. Wyant, Jr., and Al Delugach)

ANCHORAGE, November 30.—Superimposed on a map of the North Slope, oil lease tracts look like a giant chessboard.

Something resembling a chess game was played with 179 of these 2,560-acre squares on Sept. 10. But the music hall atmosphere and the crowd in the Sydney Laurence Auditorium here were not characteristic of chess.

The United States Department of Justice is curious as to whether that game was played properly by the participants—the oil companies. A salient question: Were antitrust laws violated by the joint bidding arrangements among various oil firms?

A national inquiry by the department into industry practices in bidding on federally controlled offshore oil was made public last month.

But the Post-Dispatch found an assistant U.S. attorney general from Washington at work here, compiling information on the same type of practices in the state lease sale.

He was on loan to the Alaska Legal Services Corp., a federally financed war-on-poverty agency. His assignment was to advise on matters of discrimination against natives, but the patterns of the September oil bidding were undergoing scrutiny.

The lease sale had all the earmarks of a Titanic competition.

After opening speeches and some colorful song and dance, the day-long opening of bid envelopes within envelopes went on in an atmosphere of tension and suspense. Faces of oil executives beamed or fell with the announcements of some of the closer contests. Whistles and cheers broke out at times from the throng of spectators.

For months before the sale, cloak and dagger security precautions were clamped on the oil fields. Helicopter-borne oil scouts (for which can be substituted "industrial spies") peered at drilling rigs at Prudhoe Bay. Others bought drinks for roustabouts on leave in Fairbanks. Frenetic seismic tests and exploratory drilling were rushed by a number of companies to obtain information on the underground prospects.

The drama even included a "mystery train." Hundreds of miles from the Alaskan border in the Canadian Province of Alberta, 60 executives from 10 oil companies spent five days on a chartered train. It shuttled back and forth the 225 miles between Calgary and Edmonton at a cost estimated at \$10,000 a day. While security guards foiled inquiries from reporters who got wind of the strange journey, the group worked on joint bids for the Sept. 10 sale.

The group was formed by Hamilton Brothers Oil Co. and included Continental Oil, Cities Service and Sun Oil.

Paul Marshall, a vice president of Hamilton Brothers, said after the sale that only he and one other executive were allowed to get off the train during the trip.

He said the isolation was necessary because the companies had planned to bid as a group only on certain tracts. They were also bidding as individual companies or as part of another group. Combinations of the companies won at least 10 tracts.

SHIFTING COMBINATIONS

Other giant oil companies bid in shifting combinations of their own and occasionally against their sometime partners. Most bid only on a limited number of tracts.

The resulting patterns could take months for the Justice Department to analyze.

Question: Was competition substantially lessened by the combined bidding or by any sharing of geological and drilling information?

It is known that the bonus payments on the sale bids fell short of some experts' expectations by as much as \$600,000.

One theory is that the state erred in insisting on full cash payment of the bonuses, rather than installment plan over two or more years.

According to this hypothesis, the tight money market prevented oil firms from raising any more money than was bid. The oil industry is known to have drawn heavily on the banking community for money to finance the lease purchases.

Hand in hand with this theory is the criticism that the state could have obtained just as much in bonuses by putting up less of its potentially rich land.

The state, critics say also, could have assured itself a greater share by "checkerboarding," reserving alternate tracts for future sale after more was known of the true potential.

ROLLING BIDS

And Alaska might have received a greater benefit, too, by using the Canadian system of "rolling" bids. Under this procedure, a loser on one tract can use the money he bid there to increase his bids on other tracts.

Thomas E. Kelly, state commissioner of natural resources, told the Post-Dispatch he had considered the Canadian system but did not get enough support for it from the oil industry. He said the Canadian system might have been better, continuing: "I don't think we would have got any less."

Asked for his view of the possibility of antitrust violations in the bidding, Kelly was emphatic.

"If you study the bidding there is no way you could say there was trading of information or collusion."

To illustrate, he said that the Amerada Hess group had no acreage in Alaska. They went in to buy a position and they did it—and those with more information were unsuccessful," Kelly said. Indeed, the combine paid the highest bonus for a single tract—\$72,277,113. It edged out a \$72,113,000 bid by Phillips, Mobil and Standard Oil of California.

(That's like bidding 72 cents for a \$20 bill," says a lawyer, Clem Stevenson, who said he recently came to Alaska but has been contending with the major oil companies for

decades in Oklahoma. He maintains the oil under that one tract alone is worth 2 billion dollars.)

One of the quirks of the sale is that Atlantic Richfield, Humble and British Petroleum did not bid enough to come away with much new acreage. They are the big three with the discovery wells on the Slope.

NO PESSIMISM

This should not be assumed to be a sign of pessimism about their find. Opinion of some experts has it that the Big Three decided they were satisfied that the tracts they got at bargain-basement prices in the 1957-67 lease sales contain a big enough slice of the oil field so that they did not find it worthwhile to get more at a cost several thousand times higher.

A University of Alaska resource economist pointed out that the Big Three got their prior leases on nearly 200,000 acres in the Prudhoe Bay area for \$5,600,000. He continued:

"A conservative estimate based on the industry's own figures puts the value of this Prudhoe Bay acreage at something over 2 billion dollars, or better than 360 times the amount that the oil companies spent to acquire it."

43 PER CENT

The economist, Gregg Erickson, said that if the severance tax stays the same, the value would be 3 billion dollars. He estimated the industry rate of return on the pre-September holdings on the North Slope at 43 per cent, which is several times the average of the industry.

Erickson spoke at a science conference Aug. 26, two weeks before the big lease sale. He was making the point that the state's present bonus bidding system was not getting the state a fair bargain. He said the sale should be postponed at least six months to give the legislature time to overhaul the system.

Strong doubts about the policy were voiced at the same meeting by John S. Hedland, supervising attorney for Alaska Legal Services Corp.

"In leasing these lands, the state is trustee for and acting on behalf of its citizens," he said. "The state's role is not that of a neutral arbiter owing equal allegiance to the oil industry and Alaska's citizens, but as a bargaining representative of all of the people of the state."

COMPENSATION OF NATIVES

Hedland said public concern about oil development had focused on problems such as conservation and compensation of Alaska's natives for the taking of their land.

But, he said, all this had diverted attention from the question of whether the public is getting a fair share of the wealth generated through exploitation of public resources.

Hedland noted that some of the firms active in previous North Slope lease sales had merged and that joint ventures had further reduced competition.

He asserted also that state law does not require submission of all the types of exploration information obtained by the oil industry, such as seismic and geological data. The industry is required to give only information obtained through actual drilling, and then in reports filed within 30 days of completion, suspension or abandonment of a well.

The state is therefore at a disadvantage in trying to set a minimum acceptance bid or knowledgeable refusal price on tracts to be leased, Hedland said.

REJECTS CRITICISM

Kelly, who went ahead with the sale under the old system, rejects this type of criticism.

He told the Post-Dispatch the state had "everybody's dope" on Slope exploration. The oil firms were "extremely co-operative" with information, even to the point of giving some

on request before the end of the 30-day filing period.

It should be noted that there are those, other than state officials, who do not feel that the public got less than it should from the Sept. 10 sale.

"Alaska was lucky; they made a half billion more than the do-gooders would have us make," said Locke Jacobs, a millionaire gas and oil lease investor.

He said most of the big oil combines "overpaid" for their leases this fall, adding: "This sale was overbid by half a billion dollars. Tom Kelly did a good job."

Gerald Canopole, a consulting oil geologist formerly with Texaco, said he was convinced the leased lands were worth no more than \$500,000,000 in bonuses. If there had been collusion, he said, the companies would not have left the other \$400,000,000 on the table.

MORE IN FUTURE

An engineering expert who favors oil development told the Post-Dispatch, not for attribution to him, that the oil on the North Slope is worth a lot more than the state is getting. But, under the circumstances, he said, it has helped the state get "off its back" economically. The state can and should get more for the oil in the future, he went on.

Kelly said the state has 800,000,000 acres still unleased on the North Slope, much of it in tidelands and uplands. In addition, immediately to the south are 2,900,000 acres on which Alaska has filed claims under its statehood allowance of land from the federal domain.

There are no prospects for another North Slope sale in the near future, Kelly said.

The main reason, he continued, is that the oil companies probably don't have any more money available after the recent splurge.

CONSERVATIONIST CONCERN IN ALASKA

(By William Wyant Jr. and Al Delugach)

ANCHORAGE, December 1—John Hakala, the Federal Government's manager of the oil-invaded Kenai National Moose Range, has a reputation for making the oil operators behave. He was asked recently what he had to say for publication about how things are in his bailiwick.

"Everything is hunky-dory," Hakala said. This brought a roar of laughter from the young biologists seated around the table. They are friends of moose and natural enemies of cats—the tractors that roam the range in search of more oil.

Hakala's constituency is composed of 2700 square miles of excellent wildlife habitat and a growing herd of 9000 or more moose, none of which vote. In the last decade or so, oil and politics have penetrated the northern half of the range in a big way.

Under intense pressure, local and national, government let the oil industry into the federal area in 1957 and 1958. Seismic crews charged in. Oil rigs went up. The invaded northern sector now is criss-crossed by more miles of trails than the State of Alaska has highways.

The Kenai Moose Range has only four or five professionals and a starveling operating budget of \$150,000 a year. Yet it produced oil valued last year with federal royalties of \$5,215,077, of which the State of Alaska gets 90 per cent.

Hakala and his associates in the Interior Department's Bureau of Sport Fisheries and Wildlife do a good job with what they have. David Spencer, associate supervisor of the Wildlife Refuge Division at Anchorage, said there was very little bulldozer damage on the range any more. He said the oil complex on the Moose Range took up parts of about 20 square miles.

"When it is done properly," he said, "you wind up with an industrial complex right inside of a refuge area."

Kenal's fate has its bright side. Kenal town is booming. The state has a golden flow of revenue, sportsmen and tourists are flocking in, and Alaskan leaders—chief among them former Senator Ernest F. Gruening—get credit for carving a juicy steak from the federal ox.

To conservationists, the forces that sliced up the Moose Range are much to be feared as the vast and beautiful land of Alaska—now about 97 per cent public domain—slides into the hands of the newly created state and thence into private ownership of one kind or another.

Alaska's "last frontier" status—a pristine snow maiden awaiting the ravaging Huns—has caught the imagination of the American public. Conservationists do not want to see this state raped and laid waste by destroyers. The sorry record of the past is heavy on the national conscience.

There is a good reason for Alaskans to be weary of the federal yoke. Alaska has been a fief of the Interior Department and Congress. It has a history of exploitation by fishing, timber and mining interests as well as by oil. Wealth has been extracted with small benefits to people here.

Ten years after statehood, the federal presence is still overwhelming. Among Alaska's civilians employed in 1968, one out of three was in government work at some level and one in six—or thereabouts—was a federal worker. The federal outlay for Alaska was more than three quarters of a billion dollars. The state's total expenditures were about \$181,000,000.

Despite the large proportion of Alaskans in government work of one kind or another, conservationists feel that both federal and state agencies are undermanned and underfinanced considering the size of the task ahead.

BURDEN ON BUREAU

A heavy burden falls on the Interior Department's Bureau of Land Management, which has been looking after more than 300,000,000 acres of public domain in Alaska—most of the state—with a force of fewer than 200 people and a budget of only about \$4,000,000. The BLM director for Alaska is Burton W. Silcock, who was born in Idaho.

After a struggle with Congress, the way apparently has been cleared for hiring of 45 more BLM employees to help the government supervise construction of the Prudhoe Bay to Valdez oil pipeline. Silcock himself has been heavily involved in drawing up "stipulations" to safeguard the land over which the line will go.

"I think they have come out with some real fine stipulations," Silcock told the Post-Dispatch.

If the history of other states repeats itself in Alaska, the state will be even less resistant to the pressures of politics and the private interests than the Federal Government as it faces the difficult job of supervising orderly growth and protecting the public interest.

The Alaska political lobby during territorial status means for a long time, as economist George W. Rogers has noted, the Alaska Canned Salmon Industry Inc. and the Alaska Miners' Association. They gave way to construction and commercial voices related to military buildup. Now, it is expected, oil will have its day in the legislative halls.

VULNERABLE AREA

Kenal Moose Range was particularly vulnerable because it is close to Alaska's most thickly populated area and yielded the state's first commercial oil. The second big strike, 1000 miles away on the frigid North Slope, will intensify the pressure on two big federal reserves that now lock up potential oil wealth on both sides of the now-fabulous Prudhoe Bay discovery.

To the west of Prudhoe Bay is Petroleum

Reserve No. 4 around Barrow, a 37,000-square-mile tract set aside for the Navy in the 1920s. To the east is the Arctic National Wildlife Range, about 13,900 square miles set up in 1960. There is clamor for oil development of both these federal areas.

When he was Governor of Alaska, Secretary of the Interior Walter J. Hickel urged oil exploration on the Arctic Wildlife Range. He said he just wanted to find out what was there. As for the Navy's reserve, it was proposed this year that the tract be opened to oil leasing and the revenues used to pay native land claims.

There is a small but able and articulate entente of conservationists on the scene in Alaska, backed up by such national organizations as the Wilderness Society, the Sierra Club, the Wildlife Management Institute and others. Allied with them, to some extent are sportsmen, rod and gun people, recreationists and others.

Three quarters of Alaska's conservationists, it has been estimated, work for the federal or state government. Robert B. Weeden, formerly with the state fish and game department, left recently to become Alaska representative for several major national conservation groups. He has a small basement office near the University of Alaska at Fairbanks, opposite a used clothing shop.

Weeden was president of the Alaska Conservation Society, but fell victim to a ukase handed down by Augie Reetz, an Anchorage dealer in office supplies named commissioner of fish and game by Hickel, then governor. Reetz ordered that nobody in his department could hold office in a conservation or sportsmen's group.

"The Bureau of Land Management has done the same thing in a more subtle way," said Gerald Ganopole of Anchorage, a consulting geologist with the oil and gas industry. The BLM, in the Federal Government's Interior Department now headed by Secretary Hickel, manages most of Alaska, including the Navy's petroleum reserve.

THORN IN SIDE

Ganopole, a leader in the Sierra Club and other groups trying to keep Alaska from going the way of all flesh, is a thorn in the side of the wasters. He told the Post-Dispatch the cause of conservation in the state is not going well.

"The state and its policies are some of our biggest handicaps," he said. "... Ever since statehood, anybody could go on state lands and do what they wanted. Alaska agencies have no regulatory department at all. ... There is a very little conservation in effect at lower levels that actually do the work."

As Governor of Alaska, Secretary Hickel in 1967 fired the three chief officials of the state's Fish and Game Department. Among those dismissed was James W. Brooks, director of the game division, who then joined the Interior Department's Bureau of Sports Fisheries and Wildlife as a biologist.

Brooks is an expert on polar bears (*thalarctus maritimus*) and marine mammals. As such, he was invited by the Soviet Union to chair a session on predatory-prey relationships at an international wildlife conference in Moscow last September. However, Brooks, Alaska's polar bear authority, did not attend the meeting.

The reason for Brooks' nonattendance, the Post-Dispatch was told by an Alaska conservationist who was irate about it and said he was certain of the facts, is that Hickel vetoed the travel after it had been approved all the way up the line. Brooks confirmed that he had been invited, but said he did not know who disapproved the trip.

NOT MUZZLED

Although federal and state professionals in Alaska are under wraps in some extent, it cannot be said that conservationists have

been muzzled or intimidated. Weeden writes a hard-hitting column in the Fairbanks News-Miner. The conservationists speak out at every opportunity.

Attention is now galvanized on the 800-mile pipeline the oil industry will construct—at a cost of \$900,000,000 or more—to bring the oil of the North Slope from Prudhoe Bay across the mountains and tundra to the year-round, deepwater port of Valdez on Prince William Sound.

The main thrust of conservationist effort is not to block the pipeline, which has to be cleared with Congress as well as the Interior Department, but to see that it is done right. There will be as much as 2,000,000 barrels of hot oil a day driving through the 48-inch pipe. Nobody wants a break.

Under the leadership of Secretary Hickel, in an effort in which President Richard M. Nixon himself has had a hand, the Interior Department has hammered out a set of "stipulations" for the massive construction job. The oil companies have co-operated well, and conservationists themselves have joined in the task. Hickel was careful to get them in early.

MANY PROBLEMS

There are many problems. The pipeline job, to be completed in 1972, will put 3000 to 4000 construction men and their heavy machinery in the wilderness. As it cuts across the country, the line will cross salmon streams and the migration routes of hundreds of thousands of caribou. In Alaska's interior, the temperature can stay in the minus 50s for weeks at a time.

On the Yukon river especially, during the spring break-up, ice can build up two stories high and come scouring down the channel like a grader, said Joe V. Neeper, construction manager for the Trans Alaska Pipeline System, a joint venture among oil companies. He is a 45-year-old Texan, a graduate of Iowa State.

"I don't think we can go through without doing any damage," he said. "I don't think anybody would be naive enough to think that. But we will try to hold it to a minimum."

Neeper said the pipe would be laid above ground, in all probability, but will go under the rivers in every case. The five-ton, 40-foot lengths will be welded in the field.

"There's got to be a lot of ends put together," the construction chief said. He said pipeline had never been laid that far north, but he had no doubt problems could be solved, once they were defined.

PERMAFROST WORRIES

The big cause of engineering and conservationist worries is permafrost. This is defined as "perennially frozen ground". It is the subject of a none too reassuring study published last summer by the United States Geological Survey of the Interior Department.

Most of the research thus far on permafrost has been done in the Soviet Union.

Basically the problem is that when a road or house or pipeline is placed on soil underlain by permafrost the natural equilibrium is disturbed. The structure's warmth causes the ice to melt more than it ordinarily would in summer. There is a similar effect when the Arctic's thin vegetation is scraped off by bulldozers, removing the insulation over the ice.

In summer the structure tends to sink; in winter it is heaved up again by frost. A house tilts at a crazy angle; a railway takes on the appearance of a roller-coaster; a highway develops gullies; bridge piles are heaved up proportionately. A winter road—like the "Hickel Highway" toward the North Slope—degenerates into a canal when the thaw comes.

In some areas of the Arctic, underlying permafrost causes massive earth movements. The engineer may find permafrost on the north side of a slope and none on the south slope.

160-DEGREE OIL

The North Slope's oil will be at 160 to 180 degree Fahrenheit as it moves through the pipeline. One mile of the line will have a capacity of 500,000 gallons and each 40-foot section will weight 40 tons filled with oil, Interior Department officials have calculated.

"Permafrost is the overriding environmental problem right now," said Jack Horton of the Interior Department's Alaskan task force a few weeks ago. He had a well-thumbed copy of the Geological Survey's report on his desk.

It is still not clear how the engineers will defeat the permafrost, but they seem confident they can get the oil down to Valdez without spilling it.

NOME: WAITING FOR OIL BOOM

(By William K. Wyant Jr. and Al Delugach)

NOME, ALASKA, Dec. 2.—In this fabled but desolate city of hope on the gray Bering Sea, it is difficult for a stranger to pay for a drink and a citizen will lend you his car with casual, princely generosity. Nome's environs in contrast, strike the newcomer as hostile.

It is a bleak, treeless place where ramshackle houses seem to be fighting a losing battle with the elements. The average minimum temperature for January is about 5 degrees below zero. Wind and fog complicate the weather, and much of the ground hereabouts is underlain by permafrost.

Nome is isolated. It is 550 miles northwest of Anchorage and an even farther distance, up to now, from the oil boom that invigorates the central part of the state. The distance by sea to Anchorage is more than 1300 miles. There are no roads.

"I'll say this—within three years we'll be seeing oil drilling offshore," predicted Albro B. Gregory, the bearded, 59-year-old editor of the Nome Nugget. There has indeed been oil exploration hereabouts. Nome would be glad to see something come of it.

Falling that, Nome will have to get along on government work—its major activity—a little subsistence fishing, ivory carving, hunting and tourism based largely on winter sports and memories of the great days when Nome was a roaring gold camp.

In its heyday, Nome had 30,000 people. That was around the turn of the century. Now the population is 2800 to 3000, two-thirds of them natives, or Eskimos. Placer mining for gold used to be a big thing here, but not any more. The big dredges stand gaunt against the sky.

There is a White Alice military communications site on the hill back of the town. The country is rolling and bleak, reminiscent of northern Scotland. It has a wild beauty. The tundra is soft and spongy underfoot. Here and there are great piles of gravel where the ground has been chewed up by the dredges.

Just east along the shores of Norton Sound is the King Island Eskimo village, a miscellany of appallingly inadequate hovels. The sanitary arrangements for Nome as a whole are nothing to write home about. Only part of the town is connected to the sewer, and the "honey pot" serves for disposal of human waste.

In the Eskimo village the residue of existence—tin cans, paper and what-not—is dumped on the beach in small piles and left to the mercy of wind and tide. A visitor from the Lower 48 may get at Nome the kind of cultural shock he experiences on first seeing the slums of Calcutta.

Sargent Shriver, then director of the Office of Economic Opportunity, reacted strongly

after inspecting Nome in 1967. He said most of Nome's houses are "ramshackle, falling down places," and added:

"But even this city has a slum that is worse than the rest of the town where 500 natives live in the most abject poverty that I've seen anywhere—including Africa, Latin America, India or anywhere else."

Nome is one of three towns—Kotzebue and Barrow being the others—in the 150,000 square miles of Alaska north of the Yukon river drainage. Two years ago the total population of this vast area was estimated at less than 14,000 people. Northwest Alaska is mostly tundra and mountains, a federal report said, and "the climate is inhospitable to most human activity."

"Alaska Natives and the Land," a monumental document produced early this year by the Federal Field Committee for Development Planning, shed light on the status of the state's 50,000 to 60,000 aboriginal peoples—Eskimos, Aleuts and Indians. The average life expectancy among them is short, only 34 to 35 years.

In Alaska the white and other non-aboriginal people born in the state do not speak of themselves as natives. The term is reserved for Eskimos, Aleuts and Indians. This is quickly pointed out to the visitor who asks a white whether he is a native Alaskan.

Among the adults, natives in Alaska are likely to have less than an eighth-grade education. They are beneficiaries of federal spending that totaled \$43,000,000 in fiscal 1968 in programs of the Bureau of Indian Affairs and the Division of Indian Health of the Public Health Service. Even so, they are a neglected minority.

In Nome, as is true generally in the world, the impact of the white man's culture on the native way of life is neither esthetically pleasing or fully satisfactory in other respects. Mental health problems, including alcoholism, occur with distressing frequency.

The federal study quoted a story from the Eskimo-edited Tundra Times, as told by a former villager:

"This big problem of alcoholism is out of control in our new state already. It's not only here, it's all over in our small villages as well. They order liquor by cases in the villages. Our jails and children homes are over-flowing because of alcohol. Parents are separated by this same matter. White men are taking advantage of our native women, young and old, just because they are divorced and not employed . . . An Eskimo can work if given a chance but his greatest enemy is alcohol . . ."

Despite what appear to be profound socioeconomic and climatic difficulties, Nome's citizens—non-native and native alike—manage to rise above adversity and enjoy life. The town has a gallant spirit and is, to the traveler who comes in by air one somber autumn day and departs the next, an unforgettable experience.

Editor Gregory, an Alaskan since 1957, came from Seattle. He returned to Seattle last winter for a while, and found himself very nervous driving along the crowded expressways. His feet kept pressing against the floorboards as he battled through the automotive rat race.

"I'd hate like hell to move back to the states," he said, meaning the Lower 48.

In addition to good airline service and a comfortable hotel or two, Nome has a 25-bed hospital, a doctor, a public health dentist and a state health nurse. There are trout, grayling and salmon in the streams and ptarmigan and moose are plentiful. The Soviet Union's Siberia is not far away.

"Right now, the major industry is federal and state services," said Nome's Mayor Donald Perkins, 42, a Democrat. Perkins was born in Poplar Bluff, Mo. He attended Southeast Missouri State College, at Cape Girardeau. He came to Nome 19 years ago as a

teacher and now runs the Arctic Oil Delivery Co.

Tourism is important, Perkins said. He described Nome's weather as much milder than that of Fairbanks, in the interior. In winter the town can offer dog team rides, fishing through the ice, and other pleasures. Winter is the social season, when folks get together to play pinochle and whist.

The mayor had just been elected with an impressive mandate—about 65 per cent of the vote in a five-way race. He and his wife have a fine collection of old bottles dating from Nome's early and more glorious period. The bottles, some manufactured in Nome, are found in old dump pits in the vicinity.

Nome has new concrete sidewalks along its main street to replace the old-fashioned wooden ones. In editor Gregory's view, the wooden ones are better for Nome. The mayor is inclined to agree. He also is struggling with the town's sanitation problems.

The mayor said gold mining used to be Nome's main activity. At one time 200 companies were seeking the metal. When Nome's mining operations closed in 1962, the mayor said, they were giving work to only 60 men.

As for oil, Mayor Perkins took an optimistic view. He said a division of Litton Industries had done some exploration around Nome. In addition, he said, the United States Geological Survey made a report last March indicating that structures in the area could be oil-bearing.

"We would welcome it," the mayor said. The King Island Eskimos have been year-round residents of Nome for only a few years. On their island, off the tip of the Seward peninsula in the Bering Sea, they hunted walrus and whales. There is subsistence fishing around Nome, an abundance of wild berries and other seasonal foods that can be taken from the land.

Among Alaska's rural people, hunting is still the skill that brings prestige. Wildlife is so plentiful that the pressures of civilization and population show no signs at present of endangering the supply. The men bring home the meat, and the women, using a circular knife called a "ulu," cut it up.

The snowmobile has largely replaced the dog sled as a means of conveyance. One advantage has been that the snowmobile does not have to be fed, whereas sled dogs consume large amounts of fish.

The Eskimos and the non-native Alaskans seem to get along well at Nome despite a marked difference in cash income. At the Board of Trade Bar, in the late afternoon, several Eskimos were among the customers in an establishment redolent of Nome's past magnificence.

Behind the bar were old advertisements and newspaper clippings. The Nome Semi-Weekly News advertised Green River Whisky—"drink it without a headache"—for 12½ cents a throw at the Board of Trade. Also for sale were ladies' fast blend hose at five pair for \$1 and men's business suits—"noble and well-wearing"—at \$15. There was a Budweiser sign showing a girl in a Victorian costume, holding a stein of beer.

Walt Williams, the bartender, used to work on a gold dredge. From somewhere under the bar he brought out a ulu—the Eskimo woman's knife—and a wooden berry picker shaped like a sugar scoop with teeth. He insisted on presenting them to visitors from the Lower 48.

"When the hunter brings the animal ashore, his job is done," Williams said. He talked with eloquence about the rewards of living in Alaska and at Nome.

ALASKAN NATIVES CALL FOR JUSTICE
(By William K. Wyant, Jr. and Al Delugach)

ANCHORAGE, December 3—Two shacks stand as symbols of a great moral issue that faces Alaska, and which is shared by the whole United States.

One shack is of unpainted wood. It is overcrowded and lacks sanitation facilities. It, and not the igloo of happy connotation, is the typical abode of the native Eskimo, Indian and Aleut throughout this state.

The other shack is of blue, corrugated metal. It houses the North Slope discovery oil well. It is on land that the state chose from the federal domain in 1964 because of its prospective riches. The fact that Eskimos had used the land for centuries for subsistence was irrelevant.

Belatedly, but not beyond recovery, the natives have filed legal claims to the whole North Slope and much of the rest of the state's 375,000,000 acres.

In court, the prospects are for years of delay and perhaps an eventual cash award, as in all previous settlements of aboriginal claims.

The 60,000 Alaskan natives want land, too. It is a deeply felt need that surpasses material considerations. In all this vast state, natives hold fee simple title to only 500 acres, which is 400 square feet per capita.

Congress has the power to settle all native claims at a single stroke, providing both land and money. Three years ago former Secretary of the Interior Stewart L. Udall put a freeze on further land selection by Alaska until the native claims were settled.

During Senate hearings on his confirmation as the new secretary, Walter J. Hickel agreed to continue the freeze through 1970.

In addition to slowing the pace of oil development, the freeze has prevented the state from obtaining title to more millions of acres of federal public land with high potential for oil.

The next six months may well determine the welfare of Alaska's aboriginal peoples for many generations.

Several bills now before Congress contain settlement terms of varying generosity, with cash up to \$500,000,000 and between 10,000,000 and 40,000,000 acres of land.

A cardinal point of controversy is whether to grant the natives' request for 2 per cent of the future royalties from oil and other natural resources. The issue is widening a division between the natives and the Establishment.

Alaska state officials have opposed the royalty share. There is a good chance it would come out of the state's pocket. Congress in the generous Statehood Act of 1958 gave Alaska 90 per cent of the royalties on federal land, a provision that may be altered in the future because of the sudden enrichment of the state.

However, the natives have in the past week received strong support on the royalty issue from both of Alaska's Senators, Ted Stevens and Mike Gravel, and from its Representative, Howard Pollock.

Stevens, a member of the Interior Committee, and Gravel worked out a compromise that would give the natives 2 per cent royalty on oil for 10 years from state lands and 20 years from federal lands. Stevens and Pollock until the last week or so had opposed the mineral revenue sharing idea.

OPPOSED BY U.S.

The Interior Department, headed by former Alaska Gov. Hickel, opposes any sharing of the underground wealth.

Everyone concerned is declared in favor of a "fair" settlement.

But the history of Alaska's acquisition of the part of the North Slope that includes Prudhoe Bay tells something about priorities. It was long known that Alaska's Arctic plain had a geological structure with great oil potential. Public funds had been used to gather much knowledge about it, particularly from drilling in the Navy's big petroleum reserve on the westside of the Slope.

In 1964 the state selected about 2,000,000 acres east of the Navy reserve as part of the

103,000,000 acres it was given under the statehood law.

The state's application for the 2,000,000 acres warranted that the area was uninhabited, despite the fact it is part of the traditional hunting and fishing grounds of hundreds of Eskimos.

OBJECTIONS INVITED

A federal agency, the Bureau of Land Management, formally published a legal notice in a weekly newspaper circulated in the north country and invited objections. When none was filed by the deadline, the state was given tentative approval to claim the land. However, its ownership has not been made final.

Later in 1964 the state began a series of competitive oil lease sales that, by 1967, resulted in 900,000 acres leased at bonuses totaling \$12,000,000.

Oil worth billions was found under it since then, and leasing of only half as much additional land there brought in about \$900,000,000 on Sept. 10.

As one of his final acts as governor, Hickel last January selected about 3,000,000 acres lying just to the south of those state lands. Again the priority lay with the oil prospects.

LACKING MILITANCY

It has been said that, until their claims were filed, the 60,000 Alaskan natives were invisible to the 240,000 white Alaskans. The natives have never approached the militancy that has evolved in the urban centers of other states.

Visiting members of Congress had an opportunity in late October to sample the mood and aspirations of the natives during a tour of villages and at public hearings at Fairbanks and Anchorage on the claims bills.

There was some grumbling by Emil Notti, top native leader, that the House Interior Committee members did not spend enough time in the villages.

Native leaders did not join the laughter when Representative James Haley (Dem.), Florida, told a chamber of commerce luncheon that "with a few more strikes of oil" Alaska could be like the Oklahoma Indians who were so wealthy that if their Cadillacs ran out of gas, they bought new ones. "I hope that's what you're going to have here," Haley added cheerfully.

NO COMMITMENTS

At the public hearings, the members of Congress listened politely to many hours of testimony and departed without committing themselves to any of the competing claims bills.

Witness after witness had spoken with simplicity and dignity of the ways in which the white man had taken their lands over the years.

Critics have pointed out that the Federal Government, which still officially owns 97 per cent of Alaska, historically has been in the forefront of exploitation in pre-empting the inhabitants' village sites and hunting grounds.

The case of the Kenaitze tribe was described to the members of Congress by its president, George Miller.

Once the occupants of the Kenai peninsula south of Anchorage, the Kenaitze Indians were pushed out of their homeland by white settlers and the Government.

Miller told how the Government moved his tribe out of the Kenai townsite to make way for an airport, then auctioned the rest of the land. He told of federal employes burning natives' cabins and bulldozing the tribal cemeteries.

The tribe's remaining land was taken over by the Interior Department for the 1,730,000-acre Kenai moose range. The oil companies were later permitted to drill wells in the range. The Kenaitze were reduced to the status of squatters in Alaskan towns.

An Athabascan Indian on crutches, Peter Ezi, told the members of Congress that the Eklutna village north of Anchorage now contains 2000 of its original 326,000 acres. Federal and state governments took land for an Army fort, a dam site, a highway, a railroad.

George King, a young Eskimo in slacks and sweater, said the 300 natives of Nunivak Island off the southeast coast—were unable to get even a townsite there because the island's 300,000 acres are withdrawn by the Federal Government as a wildlife refuge.

"In other words," he said, "birds, reindeer and musk ox have more rights than the people."

RECALLS GOLD RUSH

A man in wash pants and a light jacket limped to a witness chair. Jerome Twigg, whose black hair is graying at the temples and who wears spectacles, spoke for the Eskimos of the Seward peninsula on the Bering Sea. Referring to the gold rush of 65 years ago, he said:

"Even after our land was exploited, we remained. The gold rush left the natives poorer. Will the oil rush trample us too? We don't want our children to suffer what absentee exploitation brought to my generation."

He spoke quietly of "Eskimo kids who never have baths."

The natives have great health problems and an average life expectancy of only 34 years, he pointed out.

"Our children are going to school in distant places," Twigg said. "We want them home. We do not want to live off taxes that other people pay. We want to earn our own way and make our decisions as other people do."

SUBSTANTIAL CLAIMS

Alaska's natives have substantial legal claims to the land. Their defenders declare that no one who has not seen their plight can appreciate the even stronger moral issue presented by the degradation of a once proud and hardy people.

Starting with the Russians in 1799, there has been a steady exploitation of resources on which the natives have subsisted—whales, seals, salmon and the land itself.

Along with it has been the overrunning of the native way of life by the white man's cash economy—but without the jobs to get the cash. Subsistence fishing and hunting are still necessary to livelihood of many natives, at least to augment their meager income from welfare and sporadic employment.

The median cash income for native families in Alaskan villages, where most of them live, is estimated at \$2000 a year. White families average over \$10,000.

PRICES HIGHER

Prices of commodities run 75 per cent higher in the native villages than in Seattle. More than half the native work force is unemployed most of the year. Most adults have less than an eighth grade education and few skills adaptable to the white man's economy.

In the rural villages, 7100 of 7500 dwellings were found by the Bureau of Indian Affairs to need replacement. Sanitary water supply and waste disposal is almost nonexistent. Overcrowded and ill-ventilated one-room dwellings are the rule. They are the setting for widespread infection and respiratory ailments that cripple a large number of natives.

Mental disorders and alcoholism are prevalent; much of it is blamed on the cultural displacement that besets natives unadapted to modern civilization.

NATIVES DETERMINED

Despite everything, the natives today show an esprit and a determination to see their claims through.

The Alaska Federation of Natives, only three years old, has brought about a united

front and a legal effort headed by Arthur Goldberg, former U.S. Supreme Court justice, and Ramsey Clark, former U.S. attorney general.

Referring to the nation's treatment of the Indians, Clark said recently:

"Resolution of the claims of native Alaskan people to the vast northlands that largely remain their home will be the last chapter in a long, sad history. . . . Now comes Alaska and an historic opportunity. . . . This last chapter must be the best."

OIL, GAS BOOM IN KENAI AREA OF SOUTHERN ALASKA

(By William K. Wyant Jr. and Al Delugach)

KENAI, December 4.—It is a flight of only 20 minutes from the Anchorage metropolis across Cook Inlet to this busy oil town. By road it is a drive of more than 150 miles, first around Turnagin Arm and then through Chugach National Forest and the Kenai National Moose Range.

The overland traveler is rewarded by vistas of staggering beauty. High mountains form a backdrop as the highway goes through dense woods and threads along the sparkling, glacier-fed Kenai River. At length the "Oil Capital of Alaska" is in view.

In September the State of Alaska was drenched in a shower of gold from the great oil discovery on the North Slope. The Kenai oil fields, in milder climes just southeast of Anchorage, were discovered in 1957 and have been money in the bank for some time.

The town of Kenai had 4500 persons last year, including military, compared with 321 in 1950 and 778 in 1960. It is an oil development center superimposed on a fishing village. There is a strong flavor of Tulsa here, even though the old wooden Russia Orthodox chapel—a brooding and strangely lovely relic of the past—still looks out over Cook Inlet.

Leaving the North Slope out of it entirely, Alaska's petroleum and natural gas production rose to a value of \$187,900,000 in 1968, nearly double the 1967 production of \$95,400,000. All the increase was from this Cook Inlet region, still the state's only producing area.

At the end of last year, Alaska was in eighth place among oil-producing states with prospects of moving up to fourth place. Before 1959 Alaska had no production.

Oil's invasion of the Swanson River area of the Kenai Moose Range, where the first strike was made, and the adjacent Cook Inlet and the inlet's west shore has not been without cost in terms of environmental values. It has altered the character of the land and brought pollution problems that did not exist before.

There is always the danger that winter ice or an earthquake or some other force or mishap will cause a massive oil leak in the inlet, comparable to the Santa Barbara disaster. Or an oil pipe may break in the on-shore Swanson River field, as one did a few months ago.

Would it have been better if the oil men had had left Cook Inlet alone? What is acceptable damage and what is not? The first question is academic in the Kenai area. Oil has a firm foothold here and it has brought with it, unquestionably, a measure of prosperity and hopeful change.

The oil industry, which claims to have spent nearly two billion dollars on its Alaska operations in the decade ended last year, has laid out hundreds of millions in the Kenai area. It has brought new citizens to Kenai town and erected handsome suburbs for them.

A fast-growing strip development along North Kenai road leads to the Nikiski rig tenders dock, built by Union Oil of California, Mobile, Atlantic Richfield and Marathon

as a receiving and sending terminal for the off-shore rigs in the inlet.

Along the shore to the south of the terminal are Standard of California's Kenai pipeline dock, a \$50,000,000 natural gas liquefaction plant put up by Phillips Petroleum and Marathon, and the shining new Collier Carbon and Chemical Co. (Union Oil) complex for producing ammonia from gas.

From the ammonia, the plant turns out urea, a fertilizer rich in nitrogen, in a joint venture with the Japan Gas-Chemical Co. of Tokyo. The ammonia-urea facility is said to have cost \$50,000,000 and is credited with putting Alaska in the petro-chemical business.

METHODS OF PACKAGING

Both the Union Oil ammonia-urea operation and the Phillips Marathon liquefaction plant provide methods of packaging the Kenai area's abundant natural gas and getting it to distant markets. The liquefied gas will be transported to Japan in two specially designed Swedish tankers. They call it a "floating pipeline"—Alaska to Japan.

In addition, a part of the area's gas is piped to Anchorage and the town of Kenai where it is available for heating and the manufacture of electricity. The presence of this energy is of course important for future commercial and industrial growth.

An offshore oil platform in Cook Inlet is a strange and wonderful world. A Post-Dispatch reporter and photographer visited the Grayling platform as guest of Union Oil of California in company with B. G. Spradlin, Union's production superintendent at Kenai.

"When you get a problem up here," Spradlin said, "the only way is to beat it to death with money and time. That's the only way to get it done."

For personnel, the method of transport to and from the platforms is by helicopter. There is a chopper pad on a height overlooking the rig tenders dock. A chopper comes rattling in with a load of men. They scramble out with their gear and another chopper-load climbs aboard and is wafted away.

TRASH PICKUP

Spradlin called attention to dockmen handling containers of trash that had been taken from the offshore rigs by ship. The trash is hauled by truck from the dock to dumping grounds ashore. The Union Oil officer said this procedure is expensive "but it's a must." Throwing anything into the inlet is forbidden.

There are now 14 platforms in Cook Inlet. They were said to range in cost from \$13,000,000 to \$24,000,000 each. The Grayling, named after a trout-like fish, cost \$20,000,000 or more, Spradlin said, and it has two 10-inch pipelines running five miles to the west shore. They were put down at a cost of about \$10,000,000.

The oil drawn from the earth is cleaned ashore and shipped through an onshore pipeline 42 miles down the west side of the inlet to the modern, deepwater terminal at Drift River. The pipeline and terminal, a joint project, cost \$45,000,000. From Drift River the oil is taken away by tankers.

There is a 9-knot tidal current in Cook Inlet. The thermometer gets down to minus 38 degrees, in Spradlin's experience, and the ice in winter can be four or five feet thick. When the current moves the ice back and forth, slamming it against the legs of the oil platforms, life aboard can be very interesting.

Earthquakes are a hazard in Alaska. A memorable tremor occurred not long ago. One oilman recalled that he was thrown from his bunk whereupon he rushed out to see whether the rig had been hit by a ship. He said pots and pans were jostled from their shelves. A constant hazard is fire, particularly from welding sparks. One platform was evacuated because of fire, without loss of life.

BURNING GAS

Like an aircraft carrier, the Grayling looked small when approached from the air. On closer inspection it became a colossus and its flares of burning gas, from afar mere candles on the blue water, were roaring orange flames that leaped high and gave off intense heat. The natural gas, for which there is no economical use, is disposed of by burning as it comes out of the wells.

Plans are under way for using the gas now being burned in the inlet. An Alaska conservationist told the Post-Dispatch that the Cook Inlet platforms were wasting three times as much gas as the city of Anchorage used.

The first thing the visitor saw after leaving the Grayling's chopper pad was a sign warning personnel not to throw anything overboard. Down below, in the neat, pre-fabricated living quarters, was another sign calling attention to the fact that—just as in oil's world on the North Slope—no liquor is allowed.

"Notice," said the Grayling's antipollution sign in emphatic terms, "Absolutely nothing is to be thrown off this platform. Individuals found doing so are subject to immediate dismissal."

There were about 100 people on the Grayling that day, too many for the platform's 86 bunks. In general charge as offshore production foreman was Bob C. Smith, an Oklahoman who ran a tight ship with bluff good nature. The men are well paid. A roughneck on the drilling team, on a typical offshore rig, will receive \$1500 a month, it was said.

12-HOUR SHIFTS

The food was abundant and excellent, served cafeteria-style. Oranges, ice cream, doughnuts and coffee were on hand around the clock. The work never stops. A roughneck pulls 12-hour shifts for 10 days and is off five. The helicopter service is around the clock, costing about \$35,000 a month.

"There's no efficiency in this operation," Spradlin said in speaking of the climatic and other difficulties built into this kind of oil production. "It drives me nuts—coming from southern California. You spend all your time traveling."

The Grayling was producing 46,000 barrels of oil a day compared with 42,000 for the Dolly Varden and 26,000 for the King Salmon platforms. The three form the Trading Bay unit in which Union and Marathon each own a 40 per cent interest. Atlantic Richfield has 14 per cent and several other companies share the rest.

There are four steel legs supporting the Grayling, each 19 feet in diameter. The platform stands in 150 feet of water and towers high above the surface. It has two 50-ton cranes.

Each of the Grayling's legs will accommodate a dozen wells. Of this 48-well capacity, 19 have been drilled so far. By means of sophisticated directional drilling techniques, these wells can be extended like tentacles far outboard of the platform itself, tapping the field at various levels and places.

On the busy platform, oil from existing wells was flowing up at the rate of 2100 barrels an hour while two ships, the Rig Pusher and the Pete Tide, were nuzzled against the massive legs for delivery of machinery, pipe and other supplies.

LABORIOUS JOB

At the same time, at a higher level, a four-man team was busy pulling a drill up from below 8000 feet to fit a new bit. The pipe is pulled up length by length, disconnected in 90-foot sections and stacked to one side. When the new bit is attached, the procedure is reversed. It is a laborious job taking about six hours.

Production foreman Smith said that constant attention was paid aboard the Grayling to safety regulations and to driving home to all hands the ban against pollution

of the inlet. During the platform tour, he noted a leak in a hose delivering diesel fuel from one of the tenders to the Grayling. He ordered it repaired instantly.

One who has seen at first hand the technological complexity of an off-shore oil operation, and talked with the good fellows aboard, has no trouble understanding why some oil men grumble about a public that demands plenty of gasoline but does not want unsightly oil rigs around.

Nevertheless, even though the oil industry is given full credit for its efforts to prevent avoidable contamination of the environment, it is obvious that the Cook Inlet platforms and the oil activity in Keani Moose Range constitute a hazard. The area is subject to earthquakes, and there are active volcanoes in plain sight.

The Federal Water Pollution Control Administration, an agency of Secretary Walter J. Hickel's Interior Department, keeps watch over the inlet. It has 25 people in Alaska. The three-man operations branch at Anchorage is headed by Acting Chief Raymond Morris. He is assisted by Warren McFall, a sanitary engineer.

In 1938 Morris's office counted 69 oil spills in Alaska, most of them minor. Most of the spills have been in Cook Inlet. One of British Petroleum's bladder tanks ruptured on the North Slope this fall, spilling about 20,000 gallons of diesel fuel. Part of the oil got into Prudhoe Bay.

Morris said the response to cleaning up the British Petroleum mess had been good. Before the accident, none of the North Slope tanks were diked. Now the companies are going ahead with diking them, to minimize pollution in case of accident. There have been sizable spills in Cook Inlet and the Moose Range.

In times past, Morris said, old construction materials and other waste were tossed into the inlet from oil platforms. Some garbage still is dumped. However, things have improved greatly in recent times, it was said, and strenuous efforts are made to keep fouling of the waters to a minimum.

"They always co-operate, all smiles," Morris said of the oil companies. "But it is the performance that has changed. . . . Public sentiment against throwing anything in there made the big difference. They knew somebody cared."

The companies also are getting much better, Morris said, about reporting their own oil spills. As to legal action to enforce pollution rules, Morris said the federal act has no teeth and the few cases that have reached the courts have gone nowhere.

What does work, apparently, is constant vigilance and the kind of manpower that is not always available for the surveillance job. A federal official familiar with the Kenai Moose Range, often cited as a model of industry-federal co-operation, said it took determination and enforcement.

"You have to be on their backs constantly," he said. "Any company will agree to anything on paper, but what counts is what happens on the ground."

The same official called the oil activity on the Kenai range "a living bomb"—in that a pipeline break could wipe out a salmon stream. He was indignant about what he considered failure to clean up oil slicks in Cook Inlet.

"This is constantly going on and nobody gives a damn," he said.

USES OF ALASKA'S NEW REVENUES

(By William K. Wyant Jr. and Al Delugach)
*Yet North and ever North we pressed
To the land of our Golden Dream.*

—Robert W. Service.

JUNEAU, December 5.—Alaska's receipt of \$900,000,000 from the North Slope oil lease sale last September put the state in the enviable position of having more money on hand than it knows what to do with. Once

the Cinderella of the Union, Alaska now wears the oil industry's glass slipper.

When the Legislature meets here in January, one of its happy tasks will be to rifle through the new oil dollars and set new courses for a state that has been spending annually only about one fourth of the amount that it got from the oil industry in one giant dollop.

While it is endowed with natural splendor, Alaska has plenty of the prosaic and grubby problems long familiar in the Lower 48. There is pollution. There is litter. Considered graver by far, however, are the poverty of the rural native village, the dismal level of education among the poor and the highest unemployment rate in the United States.

In considering how to use the new riches, Alaska's leaders have been proceeding cautiously. Expert advice is being obtained.

Gov. Keith H. Miller, Republican, called in the Stanford Research Institute to assess the state's needs and goals. The State Legislative Council hired the Brookings Institution of Washington to arrange a series of seminars to explore the subject. These studies should help prevent a spending spree.

"Alaska's great mineral wealth is not to be merely preserved for some future distant time," Miller said in an address on the eve of the Sept. 10 oil lease sale. "We're going to use what God has given us to brighten the futures of our people. I will not tolerate any delay in getting our natural resources to market."

Like many Alaskans, the Governor is confident it will be possible to go forward with industrial exploitation without despoiling the land's great natural beauty. He draws a distinction between conservationists, with whom he allies himself, and "preservationists" who would keep the state locked up in perpetuity.

The conservationist critics of what is going on in Alaska are not extremists, for the most part. They feel it is possible to make intelligent use of resources without ruining the land. But they fear—with justification from the nation's history and present plight—that it will not be done that way.

A case in point is the proposed trans-Alaska pipeline. The oil industry is eager to go ahead with a project that has staggering technical difficulties and potential for environmental damage—even before solutions are in hand.

"I don't think there is any way we can do it without mistakes," was the frank comment made to the Post-Dispatch by J. V. Neeper, the man in charge of constructing the 800-mile-long, 48-inch-diameter conduit.

Asked about chances of having the problems solved by the time work is undertaken, Neeper replied: "I believe we will have our problems at least defined. If we can define them, I believe we can solve them."

In this situation, as in many others, crucial actions and decisions are up to Secretary of the Interior Walter J. Hickel and the men he brought into the state government before he left the governorship last January for his federal appointment.

TWO AREAS OF CONCERN

As large segments of Alaska are carved from the federal domain and become state and private property, and as Alaska's leaders here at Juneau ponder disposition of the oil money, there are two obvious areas of concern:

(1) The people of the United States, including those who are citizens of Alaska, still own more than 95 per cent of this forty-ninth state. To what extent will be broad public interest be safeguarded in the future management and disposition of this heritage?

(2) The people of Alaska, a minuscule part of the national population, are falling heir to property of immense value—the North

Slope oil lands, for example—that has been the nation's as a whole. Will Alaskans benefit as they should from the state's generous dowry?

The reason such questions are being asked now about Alaska, with excitement and urgency, is that this is a state that has a chance to do well. It has the money, it is uncrowded and it has what is in many respects an almost blank tablet on which to write. Alaska becomes not only the last frontier but the last opportunity.

SMALL POPULATION

Here is a state more than twice the size of Texas, and one-fifth the size of the entire U.S., with fewer than 300,000 people. Even if the population were to double in the next decade, that would still be a very small number coming into collective possession of immense natural wealth.

Oil and gas may set off other development. There are great fisheries and forests. Hard minerals, like copper and iron, not to mention gold and silver and platinum, await the miner. Alaska has the longest shoreline among the states, possessing 65 percent of the nation's continental shelf.

Offsetting these advantages are adverse factors that are sometimes ignored, sometimes over-emphasized. Alaska is geographically remote. Harsh cold and permafrost make huge areas impractical for settlement. Alaska has no Class I soil, and only about 1 per cent of the state is suitable for farming, another 2 percent for grazing.

Alaska's inflated living costs and environmental difficulties are hazards against which the penniless, would-be homesteader must be warned. The pioneer without capital, and his wife, may find they have a hard row to hoe.

TOURISM, RECREATION

The magnificent scenery and the matchless sport fishing and hunting are assets that could in time yield more for Alaska than do the chain saw and the plow. Tourism and recreation yielded \$30,000,000 in 1968. Many people want to visit this great land before it undergoes inevitable change.

Up to the present, modern man's impact on Alaska has not been very pretty. The U.S. has owned Alaska and nibbled at its resources for a century.

The president of the state Senate, Brad Phillips, gave voice to a growing concern of Alaskans.

"Alaska has a history of exploitation—mining, timber, fishing; this time a lot of people are determined it is not going to happen," he told the Post-Dispatch.

The natives and other victims of the state's high unemployment see all the activity of oil development going on without their having a "piece of the action," Phillips said.

They see out-of-state interests buying up transportation firms and other oil-related enterprises, he said, adding: "Nobody's complaining so far about legitimate business deals, but there is fear that outsiders will own Alaska pretty quick."

ECONOMIST HIRED

Mindful of the No. 1 subject in Alaska, the Legislative Council has hired Walter Levy, New York, internationally known economist and consultant to government and major oil firms, to write 15 position papers on oil and gas over a two-year period.

These will be used, Phillips said, to "try to establish some policy on these matters we've never dealt with before." Until the paper on oil and gas taxation is received, Phillips is not making any predictions of what the Legislature will do about it. He said that it would be "like trying to perform brain surgery without even having had a first aid course."

Next year's elections of a governor and legislature are shaping up as the most important in the state's history.

Alaska has a strong governor system, and whoever gets the job—and potential candidates are sprouting in profusion—will have an unprecedented opportunity to shape the state for the future.

Political realists see the coming elections as very expensive, with vested interests pouring gold into the campaigns.

And what of Alaska's prospects? In the opinion of William R. Wood, president of the University of Alaska, the state can eliminate totally in one generation the existing evils of unemployment, inadequate medical care, illiteracy and substandard housing.

"EXTRAORDINARY ENVIRONMENT"

"The reason I think you can do it here," Wood said in his office at the university town of College, just outside Fairbanks, "is that you have this extraordinary environment—enormous space, automation and cybernetics, very few people."

Wood conceded this was a brash prediction, as he put it, but said he had made it even before the latest oil discovery. The 62-year-old educator presides over a campus that is crammed with brand-new buildings in hilly terrain among the spruces. The university has about 2300 students, 15 per cent of them graduate students. Enrollment is growing by about 15 per cent a year.

The university has received some oil money and is hoping to get more, Wood said. Robert O. Anderson, board chairman of Atlantic Richfield Oil Co., was the guest speaker at the university's commencement exercises last May.

Wood is a good-humored man, full of energy and eloquence. He was born in Jacksonville, Ill., and was educated at Illinois College and the University of Iowa. He sat on the edge of his desk as he talked. Not far from his window a length of 48-inch oil pipeline was on display on campus.

"I am very high on Alaska's future," Wood said. "There are enormous problems, however."

RICHES FROM THE SEA

Wood recently visited Asian countries, where he saw some of the consequences of overpopulation. In Alaska, he said, economic development is far ahead of population growth.

"The result is happiness," Wood said. "In India and Latin America you've had it—you've overgrazed the range."

Wood pointed out that Alaska has enormous potential, not only on land but in the two oceans and three seas that wash the state's shores. He ventured that the seas were probably more valuable than the land mass, inasmuch as Alaska claims the wealthiest part of the nation's continental shelf.

"I think there is a great power shift under way in the world—a shift from the Atlantic to the Pacific," he said. "I think the coming century will be the century of the Pacific."

Industrialized Japan is an eager customer for Alaska's timber and pulp and petroleum products. In fact, Japan is the largest importer of the state's output, and the visitor sees Japanese businessmen everywhere.

"BEAUTIFUL PROBLEMS"

Charles E. Behlke, engineering dean of the university, said the state had been doing badly in the mid-1960s and was fortunate that oil was struck on the North Slope when it was.

Now, he said, the fiscal outlook is rosy; the Prudhoe Bay find will be followed by others. There will be money, plenty of energy and a change in the standard of living.

"Alaska has always been a great place for a young man," Behlke said. "But now you can get rich four years away from retirement. . . . We have the most beautiful problems in the world since last year."

A less ebullient view was expressed by Victor Fischer, director of the university's Institute of Social, Economic and Government Research. He said there has been a big shift

in Alaskan attitudes on development and environment.

Until last year, he said, the prevailing attitude had been "development uber alles." But lately there has been more emphasis on keeping Alaska the way people want it, which is the attraction that brought most of them here in the first place.

"Alaska needed development money to survive," Fischer said. "Now there are riches, and the people can have what they want."

As examples of things brought into the realm of fiscal possibility for the first time by the state's oil money, he cited universal education and a guaranteed annual income.

Fischer does not believe the oil itself will generate other industrial types of development in Alaska, for the economics would dictate shipping the oil out of the state for processing. And the oil industry does not provide a large amount of employment itself, particularly after beginning of the production phase. However, he said it was likely to create some secondary employment in supporting goods and services.

More jobs in this unemployment-ridden state could be generated, Fischer said, by the way the state spends its oil money. He said that the still-unclear potential for use of the great natural gas deposits on the North Slope might generate some industrial development in the future, when the gas might be piped south.

Harold R. Peyton, professor of Arctic environmental engineering on leave from the university to serve as a consultant to the oil industry, is credited with having sold Humble Oil Co. on the idea of sending the supertanker Manhattan across northern Canada this year to test the feasibility of a Northwest Passage outlet for the North Slope oil.

COMMERCE POTENTIAL

There is reason to think, Peyton told the Post-Dispatch, that the Manhattan voyage was successful even beyond published expectations. He said the indications were that sea transport across the Northwest Passage was feasible, both economically and technically.

This, he said, would put Alaska at the hub of world commerce. For example, ships from London to Tokyo via the Panama Canal undertake a voyage of 14,000 nautical miles, whereas the distance via the Northwest Passage would be 8000.

British Petroleum's area manager in Alaska, G. C. (Geoff) Larmine, seemed less certain that use of the Northwest Passage would materialize in the near future. He pointed out that the Arctic Ocean is shallow off Prudhoe Bay. Tankers would have to stand off 20 miles for loading. Furthermore, oil-carrying vessels could be trapped in ice, he said.

Edward Teller, nuclear physicist, said in Texas recently that a study was under way to determine the feasibility of using nuclear fission to clear a harbor at the North Slope.

Not only would this be a massive job, but it would doubtless cause a massive public row.

In its social aspects, Alaska has its share of difficulties that will require good will as well as money to ameliorate.

It has a disadvantaged minority. Willard L. Bowman, executive director of the State Commission for Human Rights, said that about 25 per cent of the population was dark-skinned. He estimated the total at 78,000, including 60,000 natives (Eskimo, Indian and Aleut), 12,000 Negroes and the rest Mexican-Americans, Filipinos and Orientals.

"Alaskans pride themselves on being non-discriminating," said Bowman, a Negro and World War II Navy veteran who was born in Ohio but had been an Alaskan 20 years. However, he said, "The fact is that Anchorage or any other urban area in Alaska is like other American cities in the north. There are economic ghettos and substandard housing.

"We also find that, as in other states, most whites know how to deal with blacks. They know how to discriminate. But the Eskimo and Indian is a new concept, and they don't know how to discriminate against them.

CULTURAL DIFFERENCES

"We are beginning to get stereotypes about the natives—drunkenness, not showing up for work and so forth. But we are dealing with people who have definite cultural differences. You can't say a cultural lag. Their culture may be better. They know how to live in this climate."

The United States has brought Western civilization to Alaska, Bowman said, and now the newcomers are saying that the natives do not fit into that civilization.

"We reject them," he said. "It is not a planned thing. We are so busy, so involved."

He said the natives were discriminated against in housing and employment. He described it mostly as "class type" discrimination.

Up to now the natives have not been militant in the familiar sense. But there seems to be growing polarization between the whites and the natives over the native land claims. In particular, there are hard feelings over the natives' efforts to obtain a 2 per cent royalty on oil and other resources as part of a settlement.

One of the native leaders, Willie Hensley, a young Eskimo from Kotzebue in the northwest, set what may be a new tone recently by wearing on his lapel a button proclaiming "Eskimo Power."

But Hensley, who was educated at a Tennessee college and is a state representative expressed at a recent annual meeting of the Alaska Federation of Natives an optimism that seems to typify all Alaskans.

He said he believes the state has learned a lesson from the old ways of exploitation and will see to it that "once the oil is gone in 50 years, we'll have something here to show that Alaska was once rich."

RICHES AND DOUBTS IN ALASKA

Booming oil riches are precipitating many of Alaska's problems for solution now, as our series of articles by William K. Wyant Jr. and Al Delugach has made evident, and solutions in which the public interest are kept paramount will depend, more than on any other man, on Secretary of Interior Hickel, whose financial interests in the oil industry have still not been unequivocally divested.

As Secretary of the Interior, Alaska's former governor must make crucial decisions on public lands which comprise more than 95 percent of the state; on whether to build an 800-mile pipeline across fragile tundra to the North Slope; on how to protect the environment from possible damage by the pipeline; on how to settle the land claims of the native Eskimos, Indians and Aleuts.

The chief question of Mr. Hickel's objectivity in making these decisions about the reshaping of Alaska arises from the undisclosed facts about his financial interest in Alaska Interstate. This Houston conglomerate is building the pipeline road and will be a major bidder on the pipeline. Secretary Hickel is reported to have sold his \$900,000 stock interest in it in accordance with requirements laid down by the Senate committee which held the hearings on his confirmation last January. But efforts to learn who bought the stock have been unavailing. Nor could it be learned how much was paid for it, or even when it was sold.

So long as Mr. Hickel does not disclose these facts, which are so salient to a genuine divestment, the public can have no way of knowing whether the Senate committee's requirements have in fact been met.

An Anchorage corporation, 700 Building, Inc., owns a building there which is leased by Atlantic Richfield Oil Co., one of the participants in the North Slope exploitation,

and is constructing a million-dollar addition to it, the contractor for which is Hickel Investment Co., owned by Mr. Hickel and his wife.

It seems to us that Hickel Investment's construction contract represents a clear conflict of interest and a violation of the spirit of Secretary Hickel's promise to the Senate Interior Committee to avoid questionable business relationships.

The president of 700 Building, Gene Silberer, who says he owns it, has sold real estate for Mr. Hickel in the past, and the vice president, his son, Richard L. Silberer, formerly was a carpenter for Mr. Hickel, and is also vice president of Hickel Investment Co.

Adding fuel to the flames of doubt is the apparent certainty of the companies involved in the pipeline project that they are going to get the go-ahead. Not only are they spending millions of dollars on the pipeline road, which will involve a loss if the pipeline should not be built; the president of Atlantic Richfield, Thornton F. Bradshaw, said in May, months before Secretary Hickel announced his recommendation of the pipeline: "This line will definitely be built." What assurance can he have had to make that statement—and from whom?

Mr. Hickel's response, through a secretary, to questions by the Post-Dispatch is quite unsatisfactory. Yet it would be easy for him to dispel all doubts and demonstrate that his personal financial interests are not in conflict with his public service. All he would have to do is to ask the Senate Interior Committee for the opportunity to testify under oath, disclosing the purchaser, amount and date of his sale of stock in Alaska Interstate, explaining how his ownership of Hickel Investment squares with his promise of divestment, and putting on record that he has no financial interest in 700 Building, Inc., personal or proxy.

If he is in the clear on these matters, as we certainly hope he is, we should think he would regard it as a duty to himself as well as to the country to make it incontrovertibly plain.

GRAZING FEES—PART IV

Mr. METCALF. Mr. President, 24 days after the Secretary of the Interior advised the Committee on Interior and Insular Affairs that he planned to publish a notice not to raise grazing fees, his Assistant Secretary for Public Lands, Harrison, Loesch, finally supplied a review made by the Bureau of Land Management dated November 1969. I ask unanimous consent that his letter of December 19 and the enclosures be printed at the conclusion of my remarks.

The Assistant Secretary closed his brief letter saying:

I appreciate the opportunity to clarify our position in this matter.

The letter, however, clarified nothing and it is but another link in a chain of delaying tactics and confusion the like of which I have never seen in all my years of public service.

In transmitting this Bureau of Land Management review, Assistant Secretary Loesch says it "does not bear the imprimatur of the Department."

A son of the West would hardly use the word. He might say, in this case, that "it doesn't carry our brand"; or if he wanted to be more precise—"our approval." But the word "imprimatur" is hardly one that would be used on the ranch. It has an effete sort of ring to it. Some might say even a snobbish ring.

It is a rather curious term to use, for Webster defines it as a license to print; and where censorship exists, approval of that which is published.

So far as I have been able to determine, the Department of the Interior does not have in its possession one creditable study or analysis which supports the proposition that grazing fees should not be increased.

It does have, in both the Department of Agriculture review by three of its expert and responsible agencies as well as in its own Bureau of Land Management's tandem review, a substantial block of solid evidence that grazing fees ought to be increased.

The conduct of the Department of the Interior has in my candid opinion been both arbitrary and capricious in this matter.

It has failed to provide in a timely manner the basis for its position.

It stated an intent to publish a notice of a proposal not to raise grazing fees by December 1, announcing it would give the public 45 days to comment. It was 4 days late in publishing the notice. It shortened the comment period to 30 days. It was not until December 19 that it released any facts bearing on the subject, a delay of 15 days. It then only released them to the Senate Committee on Interior and Insular Affairs. For example, no conservation organization had the facts when I checked with them on December 20.

So more than half the period for public comment has passed and the public is without the salient facts on which the Secretary's proposition rests.

In fact the only report the Department has released says it "does not bear the imprimatur of the Department." In a word, it does not bear their brand. I can only conclude from this that the facts do not fit with some preconceived notions.

The leadership in the Department of the Interior may think that on this issue they are maneuvering very expertly. They have kept all the facts well hidden in one of the canyons in their vast Department. They have shortened their own announced period for public comment to January 4, 1970. They will be able to make their final decision while Congress is in recess.

But a true Westerner knows that there are many dry gulches, there are many long stretches of arid desert, and it sometimes is a long way to the next good water. When the water runs low, your horse has gone lame, and the going gets tough, having a few friends along the way can mean the difference between life and death. Riding too hard, not looking at the tough country ahead, and not caring about those who might help you travel the long trail safely is not the best way to go. But it is a choice some like to make.

Previously I discussed the report on grazing fees furnished the Committee on Interior and Insular Affairs by the Secretary of Agriculture.

Now we have one from the Bureau of Land Management.

The BLM report is almost a carbon

copy of the one from the Forest Service. As one reads it he is struck by the similarity of sentence structure, words, phrases, and organization. In fact, it looks so much like the work of a uniform pen that I think it incumbent on the Secretary of Agriculture and the Secretary of the Interior to advise the committee on the precise roles and consultation of its agencies in the preparation of these reports.

The summary in the BLM report is identical with the Forest Service, except that it is more succinct.

Secretary Hickel has asked for observations on his proposal not to raise grazing fees for 1970 as outlined in the schedule announced on January 14, 1969.

I can report to Secretary Hickel that if I had either the report of the Forest Service or the Bureau of Land Management before me I would have found no evidence therein to support a proposal that grazing fees for 1970 be held to the 1969 level. In fact, I would have judged that I would be derelict in my duty if I did not carry out the scheduled increases.

Therefore, Mr. President, I shall ask the chairman of the Committee on Interior and Insular Affairs to obtain from the Secretary of the Interior the precise basis upon which he rests his proposal not to raise grazing fees.

To me the evidence for a grazing fee increase looks incontrovertible and Secretary Hickel's proposal looks incomprehensible.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letters of December 15 and 19, concerning our response of November 25.

In accordance with your request, I am enclosing two copies of the review made by the Bureau of Land Management. I would like to point out that such review was only one of the many factors considered in our overall evaluation, and that such review does not bear the imprimatur of the Department.

I appreciate the opportunity to clarify our position in this matter.

Sincerely yours,

HARRISON LOESCH,
Assistant Secretary.

A REVIEW OF THE BUREAU OF LAND MANAGEMENT GRAZING FEE SYSTEM AS IMPLEMENTED IN 1969 ON THE PUBLIC LANDS IN THE 11 WESTERN STATES

PURPOSE

By resolution dated August 7, 1969, the Senate Committee on Interior and Insular Affairs requested and called upon the Secretaries of Interior and Agriculture with other officials of the Executive Branch to undertake and complete by December 1, 1969, a review of the grazing fee schedule imposed by the Order of January 14, 1969. This review was to include considerations of whether the public interest and equity as well as the purpose and intent of the Congress are reflected in the criteria and methods used in the setting of the fee schedule.

The Acts to which the resolution referred are the Taylor Grazing Act and Title V of Public Law 137, 82nd Congress (65 Stat. 268,

290), the Independent Offices Appropriation Act of 1952. This report presents findings of a review of the effect of the Bureau of Land Management 1969 grazing fees schedule.

FEE AUTHORITIES AND POLICIES

The authority of the Secretary of the Interior in regard to setting grazing fees on Bureau of Land Management administered lands is set forth in the Taylor Grazing Act, 48 Stat. 1269, as amended by the Act of August 6, 1947, 61 Stat. 790, 43 U.S.C. (1964 ed.) sec. 315b, which reads as follows:

"The Secretary of the Interior is authorized to issue or cause to be issued permits to grazing livestock on such grazing districts to such bona fide settlers, residents, and other stock owners as under his rules and regulations are entitled to participate in the use of the range, upon the payment annually of reasonable fees in each case to be fixed or determined from time to time, and in fixing the amount of such fees the Secretary of the Interior shall take into account the extent to which such districts yield public benefits over and above those accruing to the users of the forage resources for livestock purposes. Such fees shall consist of a grazing fee for the use of the range, and a range-improvement fee which, when appropriated by the Congress, shall be available until expended solely for the construction, purchase, or maintenance of range improvements."

Congressional direction exists in the form of the Independent Offices Appropriation Act of 1952 (PL 137, 82nd Congress; 65 Stat. 268, 290). Because of Congress' concern about the lack of fair return to the Treasury resulting from the use of not only public lands, but also from the use of other forms of public property, the following directive was written into Title V of the Act (August 31, 1951, 65 Stat. 290, 5 U.S.C. (1964 ed.) sec 140 (31 U.S.C., sec. 483 (a) in Supp. IV to 1964 ed.)):

"It is the sense of the Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued by any Federal agency (including wholly owned Government corporations as defined in the Government Corporation Control Act of 1954) to or for any person (including groups, associations, organizations, partnerships, corporations, or businesses), except those engaged in the transaction of official business of the Government, shall be self-sustaining to the full extent possible, and the head of each Federal agency is authorized by regulation (which, in the case of agencies in the Executive Branch, shall be as uniform as practicable and subject to such policies as the President may prescribe) to prescribe therefor such fee, charge, or price, if any, as he shall determine, in case none exists, or redetermine, in case of an existing one, to be fair and equitable taking into consideration, value to the recipient, public policy or interest served, and other pertinent facts, and any amount so determined or redetermined shall be collected and paid into the Treasury as miscellaneous receipts."

In response to a long history of looking at user charges, some of which went back to 1947, the Bureau of the Budget in 1957 set forth in a BOB Bulletin general policies for developing an equitable and uniform system of charges for certain Government services and property. Policies of the 1957 Bulletin were incorporated into BOB Circular A-25, dated September 23, 1969. That policy and the guidelines had their basis in the Independent Offices Appropriations Act cited above.

The grazing fees study was carried out under direction provided by the Bureau of the Budget in Circular A-25. The general policy of Circular A-25 was amplified in a 1964 "Natural Resources User Charges" report that

spelled out general principles to follow in establishing user charges. This circular and the 1964 report specified that fair market value should be obtained where Federally owned resources or property are leased or sold. Principles specific to establishment of grazing fees were laid out in the 1964 BOB report.

The 1964 BOB report reiterated the policy that the recipient of special benefits that accrue from the use of Federal resources to identifiable recipients above and beyond those that accrue to the public at large generally should pay a reasonable charge for the resource used. That basic concept is an endorsement of the policy expression by Congress in Title V of the Independent Offices Appropriation Act of 1952 (5 U.S.C. 140).

THE FEE SYSTEM

Under his authorities, the Secretary of the Interior set forth Regulations (43 CFR 4115) about grazing fees on the public lands administered within the Department of the Interior. That Regulations, titled, "Grazing Regulations for Public Lands," was published in the *Federal Register*, January 14, 1969 (Appendix, pages 10, 11). These regulations were in effect during the 1969 grazing season on the public domain lands in the 11 Western States.

As announced by the Bureau of the Budget on January 14, 1969, the grazing fees decision was made using data obtained in 1966 from a Western-wide survey of some 10,000 farmers and ranchers, bankers, and other representatives of lending institutions. The basis for the method used in the survey was a series of studies that extended back to about 1961. The Bureau of the Budget Circular A-25 provided policy and guidelines that set the direction.

The formulation of the 1966 Western Livestock Grazing Survey, the analysis of the data thereby produced, the design of the grazing fee formula, and the implementation schedule announced on January 14, 1969, were all guided by the Congressional mandate and Executive principles previously discussed.

The general principle of the new grazing fee system was to establish and obtain fair market value for the Government. The system recognized that immediate, full imposition of a fair market value charge would have a strong impact on the users and, thus, a schedule was set forth that would take ten years to arrive at the fair market value level. Federal receipts from grazing would be less than fair market value during this period. This was considered to be the reasonable period of time called for in the policy guideline and in line with the 1952 Act which prescribes fairness and equity.

The system placed into effect in 1969 further employs the principle of uniformity in the basis for grazing fees charged among the several Federal agencies that administer public lands for grazing. Under the new system, a common set of guidelines and procedures was used to arrive at the basis for grazing fees on the public domain lands administered by the Bureau of Land Management and on the National Forests, and a uniform fair market value fee level was established for both agencies. The fee system is fully intended to provide a fair return to the Government and equitable treatment to the users.

JUDICIAL REVIEW

The January 14, 1969, grazing fee regulations were challenged by a segment of the livestock industry using public lands through suits filed against the Secretary of the Interior in the Utah District Court and against the Secretary of Interior and the Secretary of Agriculture in the New Mexico District Court. Injunctive relief was sought against the regulations in each suit. In both in-

stances, the purpose and intent of the Congress and delegated Secretarial authorities were issues. The Courts dismissed the cases in favor of the Secretaries.

The Utah District Court was quite specific in its ruling on the matter by concluding:

"And, thus, as I say, I find that the required matters were taken into consideration and I find that the Secretary has, within the scope and extent of his discretion and authority, made determination that the fees are fair, reasonable, and equitable, taking the required matters into consideration."

"I conclude that the legislative history of the Taylor Grazing Act does not preclude the basic standard the Secretary has arrived at."

In the New Mexico District Court case, the Court again ruled:

"It has not been shown that the Secretaries have failed to consider all the factors as directed by Congress. They have acted within the area of discretion and judgment committed to them by law in promulgating the new regulations. . . ."

The New Mexico case has been appealed to the United States Tenth Circuit Court of Appeals and will probably be heard in 1970.

FEE SYSTEM REVIEW

The one special mandate contained in the Taylor Grazing Act that requires additional consideration is that the fees are to be "reasonable". In recognition of this directive, the then Secretary of the Interior stated in the January 14, 1969, announcement that "the base fee would be studied periodically to determine if adjustments should be made. Reviews would be undertaken concurrently of the impact of these changes on livestock industry stability, loaning arrangements, collateral values, and the private forage market." These reviews were to be made to determine that the resulting fee remained reasonable.

The results of reviews over the past year are now available. The data resulting from the first increment of the 10-year schedule has been evaluated. The specific data are attached as appendices. In summary, the results to date of the review of the grazing fee increases indicate there has been no noticeable impact upon the livestock industry stability, loaning arrangements, or collateral values.

FEE IMPACTS

The review of data and information pertaining to the public domain lands in the 11 Western States disclosed the following:

(a) Economic Research Service data relating to farm title transfers show that forced sales (foreclosures, plus tax sales) represent 5.1 percent of all classes of title transfers in the Mountain and Pacific Regions for 1968 and 1969 forced sales were 5.2 percent. These percentages fluctuate between 3.7 percent and 5.3 percent for the period 1959-69. However, we cannot at this time separate out the data pertaining specifically to the segment of agriculture engaged in livestock grazing on the public lands.

(b) We have surveyed our field offices and find that there have been 762 Bureau of Land Management grazing permits transferred so far in the first eight months of 1969, indicating that ranches with public land grazing privileges are continuing to be bought and sold in the market place. The 10-year tract record establishes 1969 as a typical year. The percent of total permits transferred for the period 1960-69 varies from 6.3 percent to 8.4 percent. All of the 10 Western States have had typical numbers of transfers during the first eight months of 1969.

(c) The 1966 Western Livestock Survey indicated that an average permit sales price of \$14.41 per animal unit month was being paid between ranchers during the period 1960-65 for the grazing privileges on Bureau of Land Management administered lands. A five per-

cent sample of the 762 permit transfers suggests that the average sales price has not decreased since the new fee schedule was announced in January 1969. Data further indicates that this value may have increased responding to supply, demand and other market factors.

(d) The changes in the private forage market, i.e., the index used to keep the 1966 base fee of \$1.23 current with market conditions, has increased at a rate consistent with the trend in these values for the past 10 years.

(e) An examination of the current lease rates for comparable forage set by State and private land owners indicates these rates to substantially exceed public land fee rates. Ranchers continue to pay these higher fee rates for State and private forage.

(f) The livestock industry's income picture has been good in 1969. The average monthly price received by farmers for the four classes of animals (cattle, calves, sheep and lambs) for the first 10 months of 1969 varies from 10.5 percent to 14.8 percent higher than the average 1968 prices for the 11 Western States.

(g) The Farmers Home Administration of the U.S. Department of Agriculture reports that the number of requests for farm purchase loans continues to exceed the funds available for these loans, indicating the demand for loans continues. The amount loaned to date in 1969 in the 11 Western States exceeds the amount loaned in 1968. The Farmers Home Administration reported on November 20, 1969, that it has encountered no cases where credit has been denied due to the grazing fees announced January 14, 1969.

SUMMARY

The U.S. District Courts of Utah and New Mexico found that the actions on grazing fees taken were not beyond the authority delegated by Congress to the Secretary and that the Secretary had taken into account the required items as directed by Congress.

Prices paid in the private forage market are still considerably above those charged for use of the public land resource. Ranchers using private lands are able to operate even though paying these higher lease rates.

The number of permit transfers has shown no significant change for 1969.

The percent of forced sales in the farm real estate market for 1969 has not changed.

Sales prices of the Federal grazing privilege have not decreased.

The number of loans and total amount loaned to agriculture-related industries in the 11 Western States has increased for 1969 and the rancher income has improved over previous years. FHA loan credit has not been denied due to the new grazing fees.

APPENDIX

FARM TITLE TRANSFERS: ESTIMATED NUMBER PER 1,000 OF ALL FARMS UNWEIGHTED COMBINED 11 WESTERN STATES

Year	Forced sales— foreclosures + tax sales	Total all classes	Forced sales x 100, percent total all classes
1959	2.7	63.7	4.2
1960	3.0	64.0	4.7
1961	2.6	62.2	4.2
1962	3.0	62.6	4.8
1963	3.4	64.2	5.3
1964	2.9	60.1	4.8
1965	2.7	61.4	4.4
1966	2.0	54.4	3.7
1967	2.8	55.3	5.1
1968	3.0	55.5	5.2

Note: We can not at this time separate out the data specifically to the segment of agriculture engaged in livestock grazing.

Source: Farm R/E Mkt. Develop.—ERS (Year ending Mar. 1 1967-1967)

PERMIT TRANSFERS BLM (SECTION 3) (7a+7b)

State	1960			1961			1962			1963		
	Total permits	Total transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer
Arizona	378	29	7.7	364	39	10.7	347	18	5.2	371	36	9.7
California	336	2	.6	326	8	2.5	314	12	3.8	313	14	4.5
Colorado	1,414	100	7.0	1,415	72	5.1	1,413	113	8.0	1,392	146	10.5
Idaho	2,317	142	6.1	2,240	152	6.8	2,151	151	7.0	2,209	219	9.9
Montana										2,951	130	4.4
Nevada	855	54	6.3	920	59	6.4	893	83	9.3	934	102	10.9
New Mexico												
Oregon	1,153	69	6.0	1,073	51	4.8	1,074	68	6.3	1,085	97	8.9
Utah	2,804	228	8.1	2,743	287	10.5	2,720	233	8.6	2,600	265	10.2
Wyoming	1,233	47	3.8	1,193	44	3.7	1,186	74	6.2	1,167	77	6.6
Total	10,490	671	6.4	10,274	712	6.9	10,100	752	7.4	13,022	1,086	8.3

State	1964			1965			1966			1967		
	Total permits	Total transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer
Arizona	348	13	3.7	334	15	4.5	539	47	8.7	532	45	8.5
California	308	12	3.9	308	15	4.9	302	11	3.6	302	14	4.6
Colorado	1,966	174	12.7	1,330	121	9.1	1,440	128	8.9	1,482	157	10.6
Idaho	2,195	232	10.6	2,179	238	10.9	2,138	210	9.8	2,092	221	10.6
Montana	2,863	145	5.1	2,860	117	4.1	2,871	68	2.4	2,776	96	3.5
Nevada	919	104	11.3	905	87	9.6	855	58	6.8	864	66	7.6
New Mexico												
Oregon	1,009	110	10.9	1,022	108	10.6	980	115	11.7	961	124	12.9
Utah	2,392	198	8.3	2,475	183	7.4	2,375	222	9.3	2,313	215	9.3
Wyoming	1,106	68	6.1	1,084	81	7.5	1,045	92	8.8	1,033	63	6.1
Total	12,506	1,056	8.4	12,497	965	7.7	12,545	951	7.6	12,355	1,001	8.1

State	1968			1969								
	Total permits	Total transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer	Permits	Transfer	Percent transfer
Arizona	526	30	5.7	524	48	9.2	(¹)					
California	319	13	4.1	323	23	7.1						
Colorado	1,406	156	11.1	1,409	132	9.4						
Idaho	2,036	196	9.6	1,952	106	5.4						
Montana	2,763	66	2.4	2,743	117	4.3	(²)					
Nevada	820	68	8.3	863	72	8.3						
New Mexico	1,992	94	4.7	1,992	89	4.7						
Oregon	874	77	8.8	919	70	7.6						
Utah	2,254	219	9.7	2,258	143	6.3						
Wyoming	1,031	64	6.2	1,028	51	5.0						
Total	12,029	889	7.4	12,019	762	6.3						

¹ 1960-65 only 2 districts information.
² 1960-62 no data.

³ Excludes New Mexico.
⁴ Part year data. Represents approximately 8 months.

PERMIT VALUES 1969 TRANSFER DATA

5% Sample of the 762 transfers to date. Range of values, \$1.80 to \$156.60/AUM. Range of the mean, \$18.00 to \$27.00/AUM. NOTE.—Range of the mean caused by the various alternatives of weighing the values reported. At least one sample from each State except Washington and Oregon where no information was available—(16 Districts in the 9 States).

Cash rent: Average rate for pasturing cattle, 11 Western States, 1959-1969

Year	[In dollars per AUM]
1959	\$3.19
1960	3.27
1961	3.26
1962	3.38
1963	3.40
1964	3.51
1965	3.57
1966	3.71
1967	3.73
1968	3.74
1969	3.82

Source: Farm Real Estate Market Developments, Econ. Research Service.

"OTHER" FORAGE PRICES

(Item and 1969¹ per AUM price range)
 McGregor Military Range, New Mexico; \$1.02-2.96.
 Fort Mead Mil. Range, Montana; \$3.77-8.59.
 BSF&W Wildlife Refuges, 1968 average, \$1.73.
 BIA (Sample of 9 reservations); \$0.75-4.33.
 Colorado State School Lands; \$1.28-7.20.
 Idaho State Lands; average, \$1.39.

¹ Unless otherwise stated.

Montana State Lands; \$0.70-0.90.
 Corps of Engineers, Fort Peck, Montana, \$1.50.

N. P. Railroad, Montana, \$3.50.
 Value Mining Co., Montana; \$1.00-1.30.
 Anaconda Mining Co., Montana; \$1.30.

FHA FARM OWNERSHIP LOANS 11 WESTERN STATES (PER YEAR)

	1962	1963	1964	1965	1966	1967	1968	1969
Number of loans	1,690	2,113	1,623	1,297	1,478	1,662	1,325	1,754
Dollars per loan	19,704	19,336	19,108	18,769	21,046	23,724	23,189	24,704

Source: FHA.

Note: These data are available by individual State. The number of loans made in these States were limited by the amount of loan funds available. Therefore, the number of loans made is not an exact measure of the demand for loans. We cannot at this time separate out the data pertaining specifically to the segment of agriculture engaged in livestock grazing.

S. P. Railroad, Nevada; \$0.90-1.75.
 Utah State Fish and Game; \$1.56-3.37.

U.S. DEPARTMENT OF AGRICULTURE,
 FARMERS HOME ADMINISTRATION,
 Washington, D.C.

Mr. BOYD L. RASMUSSEN,
 Director, Bureau of Land Management, U.S.
 Department of the Interior, Washington,
 D.C.

DEAR MR. RASMUSSEN: This is in reference to our telephone conversation with Mr. Harold Sieverding of your office regarding Farmers Home Administration loans in areas where BLM grazing permits are available.

The FHA makes loans to individuals and groups which involve, in many cases, BLM grazing permits. We have encountered no cases to date where FHA credit has been denied due to the grazing fees announced January 14, 1969. In fact, the revised fee schedule may enable family-type farmers to have a better opportunity to secure grazing permits.

We have not modified our regulations as a result of this increase as each loan, individual or group, must be determined economically feasible before it can be approved. If the increased grazing fees would cause a loan request not to be feasible, then the proposal would have been a very marginal case.

Sincerely,

JOSEPH HASPRAY,
 Administrator.

[Federal Register, vol. 34, No. 9—Tuesday, Jan. 14, 1969; corrected, Federal Register, vol. 34, No. 12—Friday, Jan. 17, 1969.]

GRAZING REGULATIONS FOR PUBLIC LANDS

On November 16, 1968, there was published in the FEDERAL REGISTER, as proposed rule making, the text of amendments and revisions to the regulations governing grazing on public lands within officially designated grazing districts. The notice provided opportunity for public comment until December 31, 1968.

The comments received were numerous and varied. After extensive consideration, which included public meetings and review by the various advisory boards, the regulations, modified as set forth below, are hereby adopted to become effective upon publication of this notice in the FEDERAL REGISTER.

One of the purposes of this change is to authorize the determination of grazing fees which reflect fair market value as a range forage pricing objective based upon an appraisal of operating costs which considers comparability between Federal and private grazing lands. Such an appraisal has been accomplished in the form of the Western Livestock Grazing Survey of 1966. In order to minimize the impact on the livestock industry, a primary schedule is established to reach fair market value in 10 annual incremental steps at \$0.09 per AUM per year. Federal receipts from grazing will be less than fair market value during this period.

The change provides that the Secretary may adjust the fees annually in order to maintain the comparability between public and private lease rates through the annual application of a forage value index which establishes the rate of increase or decrease occurring in private lease rates for similar type range lands.

The resulting fee formula charges the permittees only for the value of the public forage grazed after taking into account the extent to which public benefits are yielded over and above those accruing to the users of the forage resources for livestock purposes.

The change additionally provides that the base fee may be studied periodically to determine if adjustments should be made. Reviews will be undertaken concurrently of the impact of these changes on livestock industry stability, loaning arrangements, collateral values and the private forage market.

The Department is mindful of the Public Land Law Review Commission's efforts and looks forward to its recommendations. Grazing fees may be fixed from time to time. At the appropriate time, after assessment of the aforementioned reviews and the Public Land Law Review Commission's reports, further consideration will be given to the grazing fee structure to assure its reasonableness.

This change also provides for the simplification of administrative procedures to allow flexibility in livestock operations when operating under an approved allotment management plan. Flexibility is necessary where intensive management is being practiced to allow livestock operators to adjust to changing climatic and forage conditions. Grazing fees based on the actual forage consumed will reflect a more equitable payment.

1. New paragraphs (s) and (t) are added to § 4110.0-5 as follows:

§ 4110.0-5 Definitions.

(s) "Allotment management plan" means a program of action designed to reach specific management goals.

(t) "Grazing system" means a specific sequence of livestock grazing by designated area to accomplish management objectives.

2. In § 4115.2-1, the introductory portion of paragraph (g) and the entire paragraph (k) are amended to read as follows:

§ 4115.2-1 License and permit procedures; requirements and conditions.

(g) *Change in grazing season.* Any licensee or permittee who desires to use the Federal range for a period or periods other than as authorized by his license, permit, or approved allotment management plan, may, upon a written approval of the District Manager, be allowed to use the amount of his authorized grazing privileges during any period of time for which the Federal range is classified as proper for use, provided:

(k) *Fees, payments and refunds—(1) Fees.* (1) Fees will be charged for the grazing of all

livestock on public lands at a rate per animal unit month, except that no fee will be charged for a free-use license. Fees for any fee year, consisting of a grazing fee for use of the range and a range improvement fee, will be published as a notice in the FEDERAL REGISTER.

(ii) Fees will be established by the Secretary in 10 equal annual increments to attain the fair market value of range forage at the 1978 fee year. Fair market value is that value established by the Western Livestock Grazing Survey of 1966 or as determined by a similar study which may be conducted periodically to update the fee base, if deemed necessary. In addition, annual adjustments may be made for any of the 1969-78 fee years, and thereafter, to reflect current market values.

(iii) A minimum annual charge of \$10 will be made on all regular licenses, permits, non-renewable licenses, and crossing permits, except as specified in subdivision (vi) of this subparagraph.

(iv) Range improvement fees may vary in accordance with the character or requirements of the various districts or portions thereof. Grazing fees may differ in any district or unit thereof in which the grazing capacity of the Federal range is increased by reason of the addition of land not owned by the United States, or by reason of a cooperative agreement or memorandum of understanding between the Bureau of Land Management and any State or Federal agency, or any person, association, corporation, or otherwise.

(v) All livestock 6 months of age or over allowed on the Federal range will be considered at any point of time during the grazing period as a part of the total number for which a license or permit has been issued, or for which an allotment management plan has been approved. No fees will be charged for livestock under 6 months of age.

(vi) Upon application filed with the District Manager, by any person showing the necessity for crossing the Federal range with livestock for proper and lawful purposes, a crossing permit may be issued. Charges are payable in advance at the same rate charged for regular grazing use, except that no fee will be charged where the trail to be used is so limited and defined that no substantial amount of forage will be consumed in transit.

(2) *Payment of fees.* (1) No regular license or permit shall be issued or renewed until payment of all fees due the United States under these regulations have been made. Grazing privileges may be canceled or reduced, in accordance with paragraph (d) of this section, for failure to pay the required fees. Fees for regular licenses and permits are due the United States upon issuance of a fee notice and are payable in full in advance before grazing use is authorized; except that where grazing is authorized on the basis of an approved allotment management plan, which includes grazing system requirements necessary to assure proper management of the public land and its resources, the District Manager may either:

(a) Issue a fee notice upon termination of the grazing period authorized. The fee notice will reflect the actual grazing use made and will be payable within 30 days of the date of issuance, or

(b) Issue a fee notice on the basis of the normal operation detailed in the allotment management plan. Such fees are due the United States upon issuance and are payable in full in advance before grazing use is authorized. At the conclusion of the authorized grazing period the actual grazing use will be determined. A supplemental billing reflecting additional use must be paid within 30 days of issuance. A refund or credit may be made toward the following year's fees for use less than the normal operation. Ordinarily, no adjustment will be made when the amount is under \$5.

(ii) Any licensee or permittee who desires a change in grazing use authorized pursuant to any of the provisions of this section must file, in advance, a written request for such change, except when in conformance with an approved allotment management plan. Upon approval of change, an adjusted billing notice will be issued.

(3) *Refunds.* No refund will be made for failure to use all grazing privileges represented by a license or permit, except that:

(1) During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease during the life of a regular license or permit, fees due may be reduced in whole or in part, credited or refunded; or fee payment may be postponed for such periods so long as the emergency exists.

DAVID S. BLACK,
Under Secretary of the Interior.

January 10, 1969.

[F.R. Doc. 69-526; Filed, Jan. 13, 1969; 9:10 a.m.]

[From the Federal Register, vol. 34, No. 9—
Tuesday, Jan. 14, 1969]

SCHEDULE OF GRAZING FEES, 1969

Pursuant to the authority vested in the Secretary of the Interior by the Taylor Grazing Act, notice is hereby given of the schedule of grazing fees for the 1969 grazing year beginning March 1, 1969, and ending February 28, 1970, for grazing use of the Federal range.

For the purpose of establishing charges for grazing use, one animal unit month shall be considered equivalent to grazing use by one cow, five sheep, or 0.5 of one horse for 1 month (one horse for 1 month equals two AUM's).

Billings shall be issued in accordance with the rates prescribed in this notice.

INSIDE GRAZING DISTRICTS

Pursuant to Departmental regulations (43 CFR 4115.2-1(k)(1)), published this date, fees for use of the Federal range, including LU (Land Utilization) land within grazing districts, except as otherwise herein provided shall be \$0.44 per animal unit month of forage of which \$0.29 is the grazing fee and \$0.15 is the range improvement fee which shall be credited to the range improvement fund.

Exceptions to the above rates are herein provided for certain LU lands in order to continue the basis of fees that have heretofore been established under the provisions of the Bankhead-Jones Farm Tenant Act of July 22, 1937. Such exceptions, together with the applicable schedule are as follows:

Arizona. For the Cienega Area transferred to the Department of the Interior by E.O. 10322, the fees for use of Federal range for the 1969 grazing year shall be \$1.12 per animal unit month of forage of which \$0.29 is the grazing fee and \$0.83 is the range improvement fee which shall be credited to the range improvement fund.

Colorado. For the Great Divide Project transferred to the Department of the Interior by E.O. 10046, the fees for use of Federal range for the 1969 grazing year shall be \$0.63 per animal unit month of forage of which \$0.29 is the grazing fee and \$0.34 is the range improvement fee which shall be credited to the range improvement fund.

Montana. For all LU land within the State of Montana transferred to the Department of the Interior by E.O. 10787, the fees for use of Federal range for the 1969 year shall be \$0.65 per animal unit month of forage of which \$0.29 is the grazing fee and \$0.36 is the range improvement fee which shall be credited to the range improvement fund. Twenty-five percent of the grazing fee shall be paid to the counties within which the fee was collected pursuant to the requirements of E.O. 10787.

New Mexico. For the Hope Project transferred to the Department of the Interior by

E.O. 10787, the fees for use of Federal range for the 1969 grazing year shall be \$0.55 per animal unit month of forage of which \$0.29 is the grazing fee and \$0.26 is the range improvement fee which shall be credited to the range improvement fund. Twenty-five percent of the grazing fee shall be paid to the counties within which the fee was collected pursuant to the requirements of E.O. 10787.

OUTSIDE GRAZING DISTRICTS (EXCLUSIVE OF ALASKA)

Lease rates for grazing leases issued under section 15 of the Taylor Grazing Act and section 4 of the O&C Act for the 1969 grazing year are contained herein. Except as detailed below, the rates shall be \$0.44 per animal unit month of forage of which \$0.33 is the grazing fee and \$0.11 is the range improvement fee which shall be credited to the range improvement fund.

Wyoming. For the Northeast LU (Land Utilization) Project transferred to the Department of the Interior by E.O. 10046 and amended by E.O. 10175, the fees shall be \$0.63 per animal unit month of forage of which \$0.47 is the grazing fee and \$0.16 is the range improvement fee which shall be credited to the range improvement fund.

Western Oregon. For the O&C and intermingled public domain lands located in Western Oregon the fees shall be \$0.71 per animal unit month of forage of which \$0.53 is the grazing fee and \$0.18 is the range improvement fee which shall be credited to the range improvement fund.

DAVID S. BLACK,

Under Secretary of the Interior.

JANUARY 10, 1969.

[F.R. Doc. 69-527; Filed, Jan. 13, 1969; 9:10 a.m.]

ACTION BY CONFEREES ON SECOND SUPPLEMENTAL APPROPRIATION BILL

Mr. PROUTY. Mr. President, I wish to make a few remarks concerning the action by the conferees with respect to the supplemental appropriations bill.

Mr. President, the supplemental appropriations bill as reported by the Appropriations Committee of the Senate and as passed by the Senate contained an appropriation of \$5 million for the Office of State Technical Service in the Department of Commerce. As I glance at the conference report brought back to this body by the conferees, I am dismayed to find that that \$5 million figure is completely excluded.

Mr. President, in the haste to adjourn, I think we recognize that many measures are not given the thorough and careful scrutiny that would be desirable. In the case of the State Technical Services program, I am convinced that we have taken an action that we shall all regret later on.

Mr. President, quite frankly, the denial of appropriations for this important program means that clearly the most effective program to come out of the great society legislation of the last administration is abolished.

Mr. President, I recall well the remarks of President Johnson when he signed the State Technical Services Act on September 14, 1965. Let me quote from his remarks at the signing ceremony in the East Room on that day. President Johnson stated:

The test of our generation will not be the accumulation of knowledge. In that, we have

surpassed all the ages of man combined. Our test will be how well we apply that knowledge for the betterment of all mankind.

We are responding to this challenge. Today we sign into law the State Technical Services Act. We are committing ourselves to an intelligent and an orderly application of the great technical and scientific breakthroughs of our time. We are recognizing that this Nation can no longer afford economic development on a helter-skelter basis.

Not very much has been written about this bill. But 20 years from now, Americans will look back on it as the "sleeper" of the 89th Congress.

Mr. President, I think that President Johnson was absolutely correct when he said that this program was the "sleeper" of the 89th Congress. Unfortunately, the action taken by the conferees with respect to the supplemental appropriations bill simply means that 20 years from now Americans will look at the 91st Congress as a careless butcher of a successful program. At that time, President Johnson also remarked that this bill "will do for American businessmen what the great Agricultural Extension Service has done for the American farmer. It will put into their hands the latest ideas and methods, the fruits of research and development."

In his final budget message to Congress, President Johnson requested \$5.6 million for the Office of State Technical Services. He also included a line item requesting funds for a comprehensive study and evaluation concerning the effectiveness of this State technical services program.

President Nixon, in his desire to make absolutely certain that the American taxpayer got the greatest possible benefit from their tax dollar, suggested that the comprehensive study and evaluation of the State technical services program should take place before any concrete figure should be requested for fiscal year 1970. The President, working through Secretary of Commerce Stans, contracted with the Arthur D. Little Co. of Cambridge, Mass. to conduct a comprehensive study of the State technical services program.

The Arthur D. Little Co. conducted their study, Mr. President, and in summary stated:

Our evaluation of the STS program shows it is providing a useful and economic service in transferring technology which substantially benefits the nation. The program can be made more effective and costs reduced by concentrating the Federal and State investments in efforts and services which yield the most returns. We recommend that the STS program receive continued Federal and State support with increasing emphasis on direct service to industry.

Based on the recommendations of the Arthur D. Little Co. and a thorough investigation and evaluation by the Department of Commerce and the Bureau of the Budget, the administration was convinced that President Johnson had been correct in assessing this program as the "sleeper" of the 89th Congress. Every single piece of hard evidence indicated that the State technical services program had one of the most effective cost/benefit ratios of any program in the Federal Government. Mr. President,

I am appalled that apparently a number of Members in the other body completely ignored the kind of scientific hard evidence which was presented concerning this particular program. Apparently guided by emotion alone, they sounded the death knell for this program even though all the objective evidence was against them.

In the closing days of this session, I am not going to be one who calls for the rejection of this conference report simply because of the injustice done to an effective program through the denial of funds. However, I shall seek the assistance of all Senators and all of the Members of the other body toward the restoration of this program during the early months of the next session. At that time I am hopeful that cooler heads will prevail and that Members in both bodies will be able to look at the evidence which justifies the existence of the State technical services program. No program should be allowed to die simply because no one has cared enough to look objectively at the program and its effect on the people.

Mr. President, I ask unanimous consent that letters I received from the Governors of most of the States be inserted in the RECORD immediately following my remarks. As can be seen, those men who are on the firing line in trying to make programs work at the State level have nothing but the highest praise for the State technical services program.

Finally, I ask unanimous consent that a few select excerpts from the Arthur D. Little study be printed in the RECORD, so that the Members of both bodies can use the time during the Christmas holidays to study this program.

The materials follow:

STATE OF ALABAMA,

Montgomery, Ala., July 28, 1969.

Senator WINSTON PROUTY,
U.S. Senator, Committee on Commerce,
Washington, D.C.

DEAR SENATOR: Your recent letter to Governor Brewer was forwarded to me for reply in that all State Technical Services activities are coordinated and certified through this department. We believe the program has been beneficial to Alabama's expanding economic development and that it will continue to assist in the industrial betterment of the State and the South.

In response to your questions, our evaluation of the STS Program and the Alabama Community Technical Services Agency, Inc. (ACTSA) follows:

1. The program meets a specific need of updating engineers and business men with new technologies developed in our research institutions, laboratories and classrooms of our educational institutions. As the only Federal-State Program carrying out the application of technological benefits to medium and small business establishments, Alabama relies solely on the efforts of ACTSA.

2. STS has greatly assisted in attracting industry by:

(a) Transferring more efficient conversion of our natural resources to end products.

(b) Industrial managers and supervisors applying new techniques, modernizing operations and training employees in new methods which improve personnel resources.

(c) Helping industry to operate more profitably.

3. As a direct result of a Special Merit Project on Flat Flexible Cabling and two seminars held on this technology, a company in Huntsville has expanded by some

40 employees to produce the cable. A new company to produce flexible cable that will employ approximately 120 personnel is programmed for Tuskegee, Alabama.

4. The program has helped to upgrade existing employment by conducting: 6 seminars, conferences and short courses; 4 information dissemination services; and 1 referral service. These projects were conducted in 18 different field locations, with 1,135 individuals representing 550 companies being served.

5. Examples of the effective dissemination of technical information to improve business include:

(a) A cost study of saw-mill operation that resulted in applying technology to provide \$20,000 in annual savings.

(b) By applying a recommended technology a veneer mill eliminated a \$10,000 annual loss and obtained an additional annual net return of \$25,000.

(c) A lumber manufacturer who completed a modernization program as the result of an STS project, increased production by 50% and obtained a profit of \$12,500 annually.

(d) A wood products processing complex that was provided information on costs and returns from various sources of raw materials applied analytical techniques resulting in additional net returns of \$66,800 on no new capital investment—a 38% efficiency increase in utilization of raw materials.

6. Our STS program provides direct coordination with other Federal/State programs such as Title I of the Higher Education Act of 1965. ACTSA shares offices with the Alabama Technical Assistance Corporation and works closely with all other allied federal and state projects.

7. In addition to increased projects, new jobs, and new industry, material benefits accrue to the institutions that present seminars, short courses, and workshops. Accordingly standard curriculum courses are being reconstructed to more nearly meet industry's requirements.

We hope this information meets your requirements and we have no objection to publication of this reply.

Sincerely,

J. E. MITCHELL, Jr.,
Director.

STATE OF ALASKA,
Juneau, Alaska, July 15, 1969.

Senator WINSTON PROUTY,
Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROUTY: Your letter to Governor Miller, dated June 27, requesting an evaluation of the State Technical Program in Alaska has been referred to this office for a response. I am sorry to be late in responding, but have been away on annual leave.

Alaska, because of its small population, receives only the minimum amount of federal money for the STS Program. We feel that these dollars make a vital contribution to the industrial progress and development within the State. Because of the small number of industries and the great distances, plus the fact that most of the businessmen do not have sufficient expertise, we depend primarily upon field services by staff personnel to make direct contact with the management. This has been quite productive in transferring new technology resulting in improvements in operations.

Some STS programs which have been carried out in Alaska include:

1. Conference and Seminar: During the month of July, 1968, a series of one-day conferences were held in three cities of Southeast Alaska in the hope of providing information and technology which would lead to the

development on a peat industry in Alaska. As a result of these conferences a corporation has been formed at Juneau, Alaska, capitalized at \$100,000, for the purpose of extracting and processing peat. The finished product will not only be used in raw form, but will be mixed with fishmeal for a concentrated lawn and flower fertilizer, and will be pressed into logs for fireplace fuel. Approximately ten persons will be employed with a payroll of approximately \$75,000.

2. Conference and Seminar: A conference was held in Anchorage, Alaska in September, 1968, for the purpose of supplying information on technology relative to molded plastics. As a result of this conference, a corporation is presently being formed in Anchorage which will establish a new industry. This new industry will employ approximately twenty people with a payroll in excess of \$150,000.

3. Field Service Program: Beginning in January, 1968, Field Service Staff worked closely with the Matanuska Valley Farmer's Cooperative in planning and developing facilities for producing and processing peas. A pilot project was started with the cultivation of fifty acres. This project was so successful that the acreage is being substantially increased, permanent processing facilities are being constructed, and additional vegetables which now must be shipped by air to Alaskan cities will now be produced in Alaska. Although these projects may not increase the number of people employed, it will substantially increase the period of employment to provide a much greater annual income to each employee.

You are free to use this report in any way which will support arguments for continuation of the program.

Very truly yours,

THERON F. BORDEN,
Deputy Director.

STATE OF CALIFORNIA,
Sacramento, Calif., July 8, 1969.

Hon. WINSTON PROUTY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: Thank you for your letter of June 27 concerning the effectiveness of the State Technical Services Program in California.

I appreciate your interest in this program and have asked Earl Coke, Secretary for Agriculture and Services, for the evaluation that you had requested.

Sincerely,

RONALD REAGAN,
Governor.

STATE OF CALIFORNIA,
Sacramento, Calif., September 4, 1969.

Hon. WINSTON PROUTY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PROUTY: Governor Reagan has asked me to respond to your letter in which you request information on the State Technical Services Program in California.

We find it extremely difficult to provide OSTs requested information in this section of the annual report, especially in such suggested categories as capital investments or savings, annual return or savings, and jobs saved or new jobs as they relate to STS projects.

While California STS personnel can appreciate the need for cost/benefit ratio data, particularly for testimony before congressional committees, specific benefits in terms of dollar amounts and employment levels cannot be itemized in California since this type of data has not been solicited or compiled, or is the facility for doing so available to the designated agency.

In this regard, the historical and future lack of a field service staff in California

should be noted, in addition to the fact that other state agencies have statutory jurisdiction and philosophical and actual commitments not only to the growth of existing California industry, establishment of new industry from within and outside the State, the establishment of branch plants, and relocation of industry, but to increased employment levels, capital investments and overall industrial and commercial growth.

While reports from the business and industrial community and STS project directors, staff visits and Advisory Council evaluation meetings indicate generally that the conduct of STS projects has contributed to the total State economic growth, specific tabulations and data are only partially documented. In cooperation with local, State and federal agencies, tangible results accrued but are either indeterminable or cannot be properly evaluated at this time.

Additionally, I might say that California's STS Five Year Plan will be revised to be coordinated with the recently proposed State Development Plan and we have currently entered into a contract with a private consultant to assist us in this critique and revision.

I hope this information is helpful to you. Please do not hesitate to request additional information should you need it.

Respectfully,

WILLIAM F. SCHEUERMANN, Jr.,
Director.

STATE OF CONNECTICUT,
Hartford, Conn., July 11, 1969.

Hon. WINSTON PROUTY,
U.S. Senate,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: Thank you for providing me with the opportunity to express my views on the State Technical Services Program. My response to the questions raised in your letter of June 27 are included in the attachment. This response can be published in the Congressional Record or the Committee hearing reports if you so desire.

In Connecticut, the State Technical Services Program has proven to be an effective mechanism to encourage economic growth by assisting business and industry to apply the results of science and technology. I am sure that the evaluation being conducted by the A. D. Little Company will verify that other states have incurred similar benefits.

I trust that this evaluation will result in a substantially increased federal appropriation for 1970 to support state and regional technical services programs. Since the concept has been of proven values to Connecticut, I recommend that consideration be given to extend the Act to include projects that are directed at assisting in the application of science and technology to the problems and operations of state and local government. This could help considerably toward scientific decision making at all governmental levels.

I am sure our Connecticut Research Commission officials can supply any additional information you may desire.

Sincerely,

JOHN DEMPSEY,
Governor.

RESPONSE TO STS QUESTIONNAIRE

Reference: Senator PROUTY's letter of June 27, 1969.

Submitted by: Governor John Dempsey, of Connecticut.

1. To what extent do you rely on the STS program?

The Connecticut Research Commission was established in 1965, prior to the federal enactment of the State Technical Services Act, in recognition of the importance of research and technology to the future of the State. The Commission is a state agency with state funds to support basic and applied re-

search in the interest of the citizens of the state. Since 1965, the Commission has received total state appropriations of approximately \$6.7 million. The Commission serves as designated agency for the State Technical Services Program and has received federal grants of approximately \$317,000 in support of this effort. Thus, Connecticut has developed a comprehensive program to promote economic growth by investing in research and technology with the STS program an important element of this pioneering effort. The fact that the federal government has failed to support this program at funding levels originally authorized by the Congress and as recommended by the STS Public Evaluation Committee has been disappointing, especially when Connecticut has been willing to invest state funds in support of programs of such magnitude.

2. To what extent has it helped attract industry to your State?

The STS program has not been used as a mechanism to attract industry to the State. It has proven to be an effective mechanism to assist in the development of new industries within the State and to assist in the growth of existing industries within the State. The Field Liaison, Technical Referral and Technical Information Location services have provided direct assistance to over 35 new industrial and service companies established in Connecticut since 1966. As a result of a recent STS regional program on Venture Capital and Entrepreneurs, there is a considerable interest in the private sector to establish a mechanism that would effect a closer relationship between the scientific and financial communities in Connecticut to further assist in developing new industries in the State. It is estimated that over 1000 Connecticut companies have participated in the various STS projects conducted to date.

3. To what extent has it helped create new employment opportunities?

Qualitative and quantitative statistical data are not available to answer this question. However, a review of 20 of over 400 firms aided by the Field Liaison Service indicated that approximately 205 new positions would result from such assistance over the next 2 to 3 years. In addition this service has provided assistance in securing new subcontracts for firms who were confronted with a requirement to terminate employees as a result of defense contract reductions and terminations.

4. To what extent has it helped upgrade existing employment?

It is conservatively estimated that over 1500 employees have been upgraded by direct participation in STS programs. Many of the continuing education programs that were developed and initiated with the benefit of STS financial support have been continued by the participating institution on a self-supporting basis. The "seed money" benefits of STS programs are of major consequence and are duly considered during the development of Connecticut's annual STS programs.

5. To what extent has it effectively disseminated technical information which was used to improve business?

The Technical Information Location Service is processing 40 requests per week, the Technical Referral Service is processing 40 inquiries per month, and over 600 copies of an abstract of new developments in Welding and Joining of Materials have been distributed. It has been Connecticut's experience that the most effective method to assist in the dissemination and application of technology is to (1) identify the problem and (2) to inform the firm with the problem of the technological resources in the State with competence to solve the problem. This problem/people approach, unique to STS, has proven to be more effective than at-

tempts to disseminate technical information via "paper mills" established for this purpose.

6. To what extent has the State STS program been used for coordinating other Federal/State programs?

The fact that the STS program is administered by the Research Commission with broad interest, competence and responsibility in science and technology has resulted in some coordination. For example, the Commission has recommended that projects be developed under other federal programs to provide entrepreneurial and managerial training for minority people desiring to start new businesses. The Commission has been successful in developing research projects that are supported by state-federal funds through such agencies as NSF and the Federal Pollution Control Agency.

7. Please indicate any other benefits that you feel have been derived from your State's participation in the STS program.

The most significant benefit is the verification of the concept that the federal and state governments, by supporting projects conducted by the creative resources in a state or region, can be effective in assisting the application of science and technology in business and industry. There is a vital need to assist in the application of science and technology to the operations of state and local government. The STS program could, and should, be extended to include such an application. The Research Commission, in concept with the State Planning Commission, is developing a small pilot project for this purpose.

8. With respect to the above, what is the cost/benefit ratio of your State STS program?

Connecticut's STS program has not been subjected to a comprehensive cost/benefit analysis. The obvious benefits of the program, coupled with the limited amount of federal funds available to support the program, does not justify the cost of such an analysis. It is estimated that the cost of the program was offset by the benefits that have accrued after the second year of operation. As the services rendered today generates future economic benefits, it is felt that the benefits will exceed costs by a rate of 4:1 after the third year of operation. It is further estimated that maximum return would result from an annual federally supported program of \$250,000 in contrast to the \$78,500 of federal funds in support of Connecticut's FY 1969 program.

STATE OF DELAWARE,
Dover, Del., August 6, 1969.

HON. WINSTON L. PROUTY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PROUTY: In compliance with your letter of June 27 I am forwarding the information you requested regarding the State Technical Services Program in the State of Delaware. You have my permission to publish this reply in hearings or the Congressional Record should you so desire.

The answers to your questions are numbered in the same sequence as presented.

1. This office has not relied on the S.T.S. program to date. Prior to your inquiry and one subsequent research, our information was limited to a general knowledge of its goals and objectives. With a broadened understanding of the program, we are now in a better position to make use of it.

2. UDTS has worked with the State Chamber of Commerce and the State Department of Economic Development to a limited extent in an effort to encourage an influx of industry to Delaware. Specific instances of their enticement of companies into the state have not been isolated. It is recognized though that their efforts in attracting in-

dustry are secondary to their concern with upgrading businesses within the state and with helping new companies in the scientific and technical sphere.

3. UDTS has been influential in aiding in the creation of new job opportunities in Delaware. In many cases, information transfer through the efforts of UDTS personnel have modified and increased production of companies, thereby providing them with the opportunity to expand. In these instances, there is considerable difficulty in determining the number of additional jobs that can be specifically attributed to UDTS actions, although the input can be shown to have had some influence.

4. In the area of upgrading, significant results can be shown. Some 570 students have enrolled in the Plastics Technology Certificate Programs within a one-year period. As a result of this program, additional educational offerings, both credit and non-credit, are being planned at the trade school, high school, undergraduate and graduate levels.

The Building Construction Education Program is another example. Approximately 80 construction supervisors have taken these courses over the past three years. Discussion is underway with the Delaware Contractors Association regarding a considerable extension of the program.

Conferences, seminars, and workshops on the subjects of transportation, computers, ocean engineering, meat sanitation, air and water pollution, decisionmaking, etc., have been presented to diverse groups. All of these offerings are at the application level with every indication that upgrading of personnel has been accomplished.

5. Those businesses and industries of Delaware with which UDTS has had the opportunity to interact have almost unanimously indicated that the assistance provided has been helpful and has often been very valuable. Evaluating efforts by UDTS have shown that the transfer of technology and scientific information and knowledge has been of value to their clients.

6. Although the STS program was not specifically planned to coordinate other Federal or State programs, UDTS has provided assistance and input to a number of such projects. The UDTS provides coordination and administration assistance to the NSF Sea Grant project at the University of Delaware, and has submitted an additional supporting proposal to the Economic Development Administration for a project regarding the layout and preliminary design of an oyster hatchery.

UDTS has also participated in the recently approved Themis project at the University to plan and carry out two conferences to disseminate the research results of the project to industry and the scientific community.

In addition, UDTS is undertaking the Comprehensive Health Plan for Delaware under contract with the State Board of Health. Their office is working with the City of Wilmington to upgrade its technical departments.

Finally, a continuing and expanding role is anticipated by UDTS in State/Federal programs dealing with technology and science, and its use by the industries and businesses of the state.

7. Qualitatively, the benefits from UDTS activities appear to be well worth the efforts and the funds applied to the program. Many business and industry personnel have been exposed to scientific and technological information that they probably would not have had the opportunity to learn of otherwise. The implications for the future appear to be quite favorable for an increasing awareness by industry of the innovative role of scientific and technological information in encouraging economic growth.

8. Over the 3½ years that the program

has been operating in Delaware, the University of Delaware has provided a total of \$30,000 in support of UDTs. During the same period, approximately \$16,000 has been returned to the University in overhead payments from the STS program, plus an additional \$4,000 in overhead payments from income received from other sources. The total cost of operating UDTs for 3½ years has been approximately \$210,000 of which no funds have been received directly from the State, and \$10,000 un-reimbursed from the University. Benefits have not been adequately quantified statistically to enable a realistic cost/benefit ratio to be calculated.

There is little question that STS is currently undergoing intensive evaluation by the Department of Commerce in conjunction with the Arthur D. Little Company. To the extent that this evaluation better enables STS to quantitatively measure the results of its efforts, it should benefit all those concerned with the STS Program. From the standpoint of the State of Delaware, I feel that the University of Delaware Technical Services has made a significant attempt to encourage economic growth through its dissemination and utilization of scientific and technological information.

Sincerely,

RUSSELL W. PETERSON,
Governor.

EXECUTIVE DEPARTMENT,
Atlanta, Ga., July 11, 1969.

Hon. WINSTON PROUTY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROUTY: In response to your letter of June 27, 1969, concerning the State Technical Services Program in Georgia, I am pleased to submit the following answers to your questions.

1. The STS program is a major effort in Georgia to upgrade the technological level of our business and industry.
2. Although attracting new industry to the State is not the direct function of the STS program in Georgia, it creates a climate of increasing technological sophistication which is attractive to new industry. . . .
3. The STS program has created significant new employment opportunities by raising the overall technological level of business and industry in the State. . . .
4. The STS program has been a significant help in upgrading existing employment by providing technical information which has enabled the Georgia businessman to improve his products, processes, and overall operating conditions. . . .
5. The STS program made it possible to identify the technological needs of Georgia industry and to effectively attack these needs in a systematic manner. . . .
6. The STS program in Georgia has cooperated and coordinated its efforts with other Federal and State programs whenever and wherever necessary. Examples of other governmental agency programs with which STS has worked are the programs of the Small Business Administration, the National Aeronautics and Space Administration, the Atomic Energy Commission and the Cooperative Extension Service to name only a few.
7. The STS program has made it possible to develop and foster a greater interaction among the Universities of the State, the business and industrial community, and the other public service agencies.
8. It is believed that the cost/benefit ratio of the program is very favorable for our state. There is only very incomplete statistical data available at this time. . . .

Thank you for the opportunity to make my views on behalf of this very important program known to you at this time. Please feel free to publish my reply in any hearings or in the Congressional Record.

Sincerely,

LESTER MADDOX,
Governor.

EXECUTIVE CHAMBERS,
Honolulu, July 15, 1969.

Hon. WINSTON L. PROUTY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY: First of all, may I express my appreciation to you for the opportunity to express myself in regard to the State Technical Services Program administered by the Department of Commerce.

Our participation began with a planning effort in 1967 and a fiscal year program grant was subsequently received which effectively ran in calendar 1968. Only in April of this year did Hawaii's program launch a field service, and staffing for this service began this month. We anticipate developing a broad range, functioning referral service over the next six months; we are offering this service on a partial basis right now.

Nevertheless, our STS information services are now well established and professionally staffed, and are beginning to achieve recognition and acceptance in the private industrial community. Our education programs have been particularly well received.

With these general remarks let me consider your specific questions.

We have come to rely on STS financial support to subsidize an adult education effort for practicing professional engineers at the University of Hawaii; this program is oriented toward dissemination of new technology and is by no means a "refresher course" project. I anticipate also that STS financial support will materially assist in achieving "technology transfer" by linking our existing information available through the State Library System and the University of Hawaii libraries and making it readily available to the State's business community.

Obviously, however, a Federal matching grant of \$40,000 to \$50,000 a year for three fiscal years can hardly have any measurable impact in attracting industry to the state, creating new employment opportunities or upgrading existing employment. I don't think the program in Hawaii, given its funding level, can be judged at this point in time on the second and third bases you mention, although on reflection I would say that our STS educational programs have had an influence on upgrading the skills and knowledge of those participating.

The STS program has not been used to coordinate other Federal/State programs in Hawaii, and we have been careful to avoid "matching Federal dollars with Federal dollars."

In summary, we feel that a number of benefits, intangible as well as tangible, have already been derived from the program, with the potential of much greater benefits as the program grows in scope and experience. Valuable contacts have been made with sources of scientific and technical information, both government and private; liaison has been and is being developed between government and businesses, resulting in an increased awareness of technical problem areas in business, on the part of the State, and in an increased awareness of available services and assistance from government sources, on the part of business.

As to the cost/benefit ratio of the STS program in Hawaii, it is still too early to our experience with the program to be able to concretize results to this extent. Our program is still at the point where more effort is going into acquainting the public with its services than in providing the services. A number of states which are far more highly industrialized than Hawaii, and which have had large STS programs with dozens of engineers and professional people on the staff, are in a good position to evaluate results quantitatively.

With our current staff and funding, we are making what we believe to be an impressive impact on Hawaii's economic development through the STS program. Hopefully

after our field services project has been in operation for a year, we can place a more concrete evaluation on the program. Please feel free to use these remarks as you wish.

Warmest personal regards. May the Almighty be with you and yours always.

Sincerely,

JOHN A. BURNS,
Governor.

OFFICE OF THE GOVERNOR,
Springfield, Ill., August 8, 1969.

Hon. WINSTON PROUTY,
U.S. Senator, U.S. Senate,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: I am happy to reply to your inquiry about the implementation of the State Technical Services Act in Illinois.

1. To what extent do you rely on the STS program?

In Illinois, the STS program represents the only mechanism within state government to assist Illinois business and industry in acquiring and using new technology. Viewed in this light, we rely entirely upon the STS program to perform this function.

2. To what extent has it helped attract industry to your state?

The STS program has not attempted to attract industry to Illinois. This function is fulfilled by the Division of Community and Industrial Development of the Department of Business and Economic Development.

3. To what extent has it helped create new employment opportunities?

Because the creation of new employment opportunities is not the primary objective of the Illinois STS program, this factor has not been studied in great depth. It would be difficult to establish a definite causal relationship between STS activities and the creation of new employment opportunities. However, several specific instances have occurred wherein new employment, or the promise of future new employment, can be credited to the STS program.

4. To what extent has it helped upgrade existing employment?

There can be no doubt that the upgrading of existing employment has been a major contribution of the Illinois STS program. Several companies have reported that the STS program has enabled them to offer improved job opportunities. These same companies also report that considerable upgrading of personnel has occurred.

5. To what extent has it effectively disseminated technical information which was used to improve business?

In relation to its extremely limited budget, the Illinois STS program has been remarkably effective in working with Illinois business and industry. A number of concrete examples could be cited wherein STS activities have resulted in the acquisition and use of new technology by business and industrial organizations.

6. To what extent has the state STS program been used for coordinating other federal/state programs?

To a surprising extent, the Illinois STS program has initiated activities which have proved to be of interest to other state agencies. Public health, vocational education, conservation, highways, educational institutions, advisory groups and legislative commissions represent some of the organizations that have benefited from STS activities.

7. Please indicate any other benefits that you feel have been derived from your state's participation in the STS program.

The STS program is helpful in providing information which assists in the development of appropriate state policy in regard to science and technology, particularly in areas where state policy affects the use of science and technology by business and industry. The STS program has exhibited leadership in

encouraging consideration of state roles in these areas.

8. With respect to the above, what is the cost/benefit ratio of your state STS program?

In a project serving the building industry, the incremental annual expense to each user of the system developed through the project is approximately \$4,000. Annual cost savings to users averages \$33,800 each. This savings figure is based on only one proven element of savings; actual savings may be more than twice this amount as a result of other benefits of the system. Thus, the cost/benefit ratio for this project is a minimum of 8, and may approach 20 at the high end of the estimate. It should be noted that the expenditure of public funds will cease on this project but the benefits to industry will continue through time.

In another project serving the wood using industry, an investigation was initiated which shows promise of solving the problem of disposal of bark by Illinois wood using companies. A use has been found for the bark which increases its value from zero to \$8.00 per ton. Net profit increase to Illinois industry is expected to be between \$200,000 and \$600,000 per year. Total public investment in this project is \$37,295. Using savings from only a one year period, the cost/benefit ratio would range from 5 to 16.

According to my staff members who are intimately acquainted with the program, it would be difficult to establish an overall cost/benefit ratio. Because of the existence of the program a great many associations are being made which result in small but significant transfers of knowledge to Illinois businesses. There have been a number of instances where a single contact has resulted in linking an Illinois manufacturer with a Federal source of information which can be profitably used on a continuing basis. For example, a metal working firm of considerable size was acquainted with the Air Force Machinability Data Center through a minor STS activity. Although this contact will probably result in substantial savings, I feel that STS officials should not continually question those we help regarding their savings. Such request for cost saving data may not only give the wrong opinion of our motives, but the time and expense of replying to such requests can partially offset the benefits of the program. Rather than pursue data that may justify the program, but put its acceptance in jeopardy, we have preferred to rely upon the good judgment and understanding of those such as yourself.

I hope that this information will be of use to you. Please use it in any way you see fit. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

RICHARD B. OGILVIE,
Governor.

OFFICE OF THE GOVERNOR,
Des Moines, Iowa, July 11, 1969.

Senator WINSTON PROUTY,
U.S. Senate,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: Governor Ray has asked that I respond to your letter of June 27, 1969. We are pleased to give you the information you requested regarding the State Technical Services Act in the state of Iowa.

I will answer your questions numerically as you have stated them.

(1) The state of Iowa has come to rely on the STS Program to serve as complementary to and as a means of expanding an on-going program. The program in Iowa STS is administered by the Board of Regents through the Center for Industrial Research and Service (CIRAS) at Iowa State University, Ames, Iowa. The STS Program has provided for the implementation of short courses and seminars by the qualified institutions such as the four-year private colleges and also within the state institutions of higher learning, namely Iowa State University, State Univer-

sity of Iowa and University of Northern Iowa. The program on a matching fund basis, has provided means for these institutions to expand and at the privately owned colleges to develop an extension program for the areas of interest and need in their particular section of the state.

CIRAS was established in 1963, two years prior to the STS Program. Since the function of both CIRAS and STS were similar to a very close degree, they provide a definite synergistic effect upon each other. The CIRAS program expanded and improved through STS grants and federal funds became much more effective due to the already functioning CIRAS program. This benefit was much more than just a dollar matching fund program as stipulated in the State Technical Services Act of 1965.

(2) STS probably does not attract industry to Iowa by itself nor does the combined program. However, without these programs, industry might conceivably elect another location because such a service was offered. Our program is dedicated and implemented to aid existing industry to grow and prosper. The main responsibility to attract industry to Iowa lies with other agencies within the state.

(3) In the five-year period (1964 through 1968), 31,992 new jobs have been created through expansion alone or 63% of the total of 50,196 new industrial jobs created during the period. New industry created 4,035 and branch plants created 14,169. CIRAS and STS have been particularly effective in all three sources of new jobs, but most effective in expansion of existing industry. In 1968, (11 months) alone expanding Iowa industries provided 4,918 new jobs, new industries created 718 and branch plants and relocation created 1,377 for a total of 7,013.

(4) The fact that many of Iowa's industries have sent personnel of all levels to the various short courses, seminars and conferences held throughout the state with the help of STS funding together with an on-going program by Engineering Extension at Iowa State University has definitely helped to upgrade existing employment.

In fiscal 1968, 1,243 people from 788 firms, cities and other agencies attended 23 seminars, conferences and short courses conducted by six Iowa universities and colleges and supported by STS.

(5) The task of disseminating technical information from federally and privately sponsored research and development to the industries of Iowa has been a phase of the State Technical Services program which definitely was not being handled elsewhere or by any other organization. The utilization of this technical information has been very sparse. Much of the information is couched in such very highly technical verbiage that most small Iowa industries do not have the capability nor the time to utilize it in its present form. In the jointly funded pilot project to accomplish this dissemination, fifty people in fifteen companies were serviced with 30,000 notifications of technical articles in our Selective Dissemination of Information project. 12,000 of these notifications proved to be of interest to the participants. Efforts are being continued in an effort to determine a more usable package of this very important source of technical information.

(6) In a number of instances, the State Technical Services program of conferences and short courses has been utilized to coordinate federal and state programs of the Small Business Administration. This resulted in the utilization of material supplied by SBA to the advantage of the overall program of the meeting. There is a very close coordination between this program and the Iowa Office of the Department of Commerce in Des Moines. Each annual program submitted for Iowa is very closely checked to see that there is no duplication of effort from other federal

programs and a further effort is made to coordinate the overall federal program for the state of Iowa through a coordinating body of the State Extension Council, an arm of the Board of Regents, established to review federal programs with the expressed purpose of best utilization of federal funds in the state and best assignment of responsibilities to the various coordinating agencies in Iowa.

(7) The major benefit derived from STS in Iowa has been that of expanding an already on-going program of service to industry and providing a means of cooperation with the federal government in disseminating information which might otherwise not be available to many of the state's industries. In our state, over 70% of our industries employ less than fifty people. This fact is most important when considering the service rendered through the STS program. Several new areas of extension have been scheduled through STS programming and the dissemination of highly technical information is also a direct result of this program. It is most important that we remember that this type of program does not develop overnight and the long range benefits cannot be estimated or anticipated with any degree of accuracy.

Intangible benefits include the confidence of Iowa industry that they do have an organization to which they can come to discuss, in confidence, their problems no matter how simple or complex, large or small, technical or otherwise.

This program in Iowa has served as a means of cooperation between the Board of Regents Institutions and the private four-year colleges. This has not been a fact in the state prior to this coordinating effort by the STS program.

(8) The most difficult question which you have asked in your letter is that of attempting to provide you with a cost/benefit ratio of our state STS program, but we will state several instances of known benefit for which dollar values can be placed on the current year, but estimating the future benefit of this type of operation is very difficult to assess. In one instance, a manufacturer attended one of the conferences which was originally scheduled and programmed through the activities of the State Technical Services in which knowledge gleaned from the conference resulted in a savings of \$70,000 in one year activities and the implementation of a new program for a future year involving an initial investment of this company in excess of \$100,000 and a provision for employment for four or five new employees.

The results of activities of the field representatives point out a number of projects that amount to savings in the operation of manufacturers in the terms of \$2,000 to \$5,000 each year for an unlimited number of years. The utilization of a management consulting firm report to a company for which a fee of \$20,000 had been paid and for which the company had definitely felt they had no means of implementing. This report was utilized by the company following a consultation with a field representative through the service to industry program. The utilization of consulting firms within the state of Iowa has been a definite result of the field operation and we know of one instance that a firm has had several projects totaling in excess of \$50,000 in one year. These projects are on-going and very difficult to analyze as to the cost/benefit ratio.

Two instances of the service of field representatives and headquarters staff resulted in the re-establishment of the industries to a profit-making organization from a condition of virtual bankruptcy at the time CIRAS was requested to enter the program. These two industries are now flourishing businesses and again the dollar value of this effort is difficult to estimate.

In these instances mentioned, it should be again called to your attention that the STS

program has served to complement the efforts of an on-going program and therefore makes the dollar analysis rather nebulous.

I hope that this information will be of help to you.

We in the state of Iowa believe that there is a definite advantage to be gained from the State Technical Services Act.

If you should request further assistance, please advise.

Sincerely,

ELMER H. VERMEER,
Administrative Assistant.

DEPARTMENT OF LABOR,
Baton Rouge, La., July 23, 1969.

HON. WINSTON PROUTY,
U.S. Senator, Senate Building,
Washington, D.C.

DEAR SENATOR PROUTY: As indicated in his communication to you on July 14, 1969, Governor McKeithen had forwarded your inquiry of June 27, 1969 to me for reply.

(1) The State of Louisiana and its Department of Commerce and Industry rely on the State Technical Services Program (S.T.S.) to the extent that is an integral factor of the overall industry inducement of this state.

(2) To evaluate the one factor of S.T.S. as to the extent it alone has helped attract industry would be rather ambiguous. Without S.T.S. we would still have a very strong industry inducement program in Louisiana; however, with S.T.S. it is further enhanced.

(3-4) In many instances, where both small and large manufacturers have been informed of advanced methodology or technological, automated improvements in operations and management have increased the production and margins of profit for the employers. In other instances they have expanded and increased the size of their work force; however, how does one relate these opportunities for new and/or upgraded employment to numbers?

(5) The program has very effectively disseminated technical information which was used to improve business. In many instances such information, gleaned from research in the State Library or the Library of Congress, was given directly to the employing units by the S.T.S. representative. In other instances, the advanced techniques and/or information was imparted by scientists and men of learning from colleges and universities by S.T.S. funded workshops, seminars and conferences as indicated on the attached brochure.

(6) The S.T.S. specialist is a member of the State Cooperative Area Manpower Planning System Committee (CAMPS), and in such capacity, is made aware of all federal and state programs while making the other members representing state and federal agencies aware of the S.T.S. program. In some instances, the S.T.S. specialist has made employees aware of the availability of MDTA-OJT programs.

(7-8) As previously cited, as an integral component of a very appealing industry inducement program, it is improbable that anyone can arrive at a definite cost/benefit ratio or apply a monetary value to the benefits derived in this State as a result of the S.T.S. program. It alone has afforded our specialist opportunities to open the door of employers to other program specialists. Without S.T.S. this State will continue to have an industry inducement program; however, with S.T.S. the program is even more enticing.

We in Louisiana feel that the results of any evaluation of the S.T.S. program will reflect far more good being done than some of the shortcomings or discrepancies that may be uncovered. It is very difficult to evaluate the S.T.S. program in terms of dollars or numbers of jobs, etc., but we feel that the program, limited in scope only because of limited appropriations, is providing a worthwhile service to the manufacturers and employers of Louisiana. Also, lim-

ited resources prevent the establishment of their own research centers, laboratories, etc., which are necessary to determine new techniques or advanced methodology in automation and cybernetics.

We hope this information may be of some benefit to you, and you have our permission to publish this report in any manner you see fit.

Respectfully yours,

F. C. DOYAL, Jr.,
Administrator,
Chairman, State CAMPS Committee.

OFFICE OF THE GOVERNOR,
Augusta, Maine, July 16, 1969.

HON. WINSTON L. PROUTY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY: This is to acknowledge the receipt of your letter of June 27, and to respond to the questions on State Technical Services. The information in this letter and the accompanying documentation summarizes the State Technical Services activities from March 1, 1967 to June of 1969.

In answer to question number one, I rely on STS to fulfill a major economic service by assuming the responsibility for the dissemination of technical information on the latest science and technology to industry; keeping our scientific community abreast of the latest technological developments; and assisting small technically oriented firms and businesses in finding solutions to their technical problems. The program also serves as the communication link between many of the federally sponsored technical research and development programs and the State of Maine.

The State of Maine has a number of small technically oriented firms that cannot support a sophisticated R/D facility. STS has in many cases served this need by assisting individual firms in developing new products and solving technical problems. Hopefully, with this assistance, in addition to other services sponsored by the State, these firms will expand to the point whereby they can support their own R/D facility.

In answer to question number two, the program has not in itself attracted any new industries, nor has it been used for this purpose. The new industries that it will hopefully promote will be as a result of "spin-offs" from new technologies. One new product line has resulted from STS efforts with possibly four new products within the near future. However, the "spin-offs" have not been great enough to warrant a new firm.

It might be advantageous to comment here that the University of Maine was appointed by me as the designated agency to administer the program in Maine and the services provided through STS have been of a highly technical nature using the scientific resources of the University of Maine as well as the R/D resources of private firms. The services have been of an industrial extension nature rather than one of promotion.

In answer to question number three, no new employment opportunities have resulted thus far, from STS activities. The industrial extension activities were only initiated in January of this year. The one "spin-off" has increased production without a necessary increase in employment. The technical problems solved through STS efforts have been directed to increasing productivity and reducing production costs. A description of the services provided in the accompanying material will give you an idea of the benefits derived from the program.

In answer to question number four, STS has sponsored a continuing education program on the latest technologies for practicing engineers. Over 900 engineers have participated in the program. Please refer to the accompanying newsletter for a more complete listing.

In answer to question number five, the accompanying letters will give you an idea of the contribution by STS in the disseminating of technical documents. The office communicates the announcement of new technologies through a newsletter to four thousand scientists, engineers, and technically oriented firms, ranging from the smallest to the largest. Approximately 200 to 300 requests are received monthly, either by telephone or mail. In addition to the request, STS serves as the liaison between the many federal Technical Application Centers and members of industry. Many inquiries are answered by telephone using the research resources of the Application Centers.

In answer to question number six, the program has not been utilized to coordinate Federal/State programs. This responsibility is assigned to an office within the executive department. The program has served, however, to coordinate the federally sponsored technical R/D programs for the State.

A cost benefit evaluation program has not been carried out. Hopefully at some period of time we can enter into a sophisticated evaluation showing some cost/benefit ratios. Presently the limited STS funds are being utilized to encourage many of the Maine technically oriented firms to be more aware of the need for continuing education for their engineers; more aware of the need to solve some of their technical problems instead of trying to work around them; and more aware of the need to keep abreast of, and apply new technologies in this technically oriented economy.

I wish to take this opportunity to convey to you my whole-hearted support for the continuation of this program. STS has fulfilled a major economic need within the State of Maine which is well documented in the accompanying material. However, I think it is also important to recognize that it has also served a major national need which is that of a Federal/State partnership in promoting economic "spin-offs" from the \$17 billion of federal R/D. The monies spent for the application of federal R/D through STS are really quite insignificant when compared to our total national R/D effort.

I would hope that Congress would find it possible to restore the STS appropriation to the \$30 million that is authorized by the Act. I would also hope that Congress could see fit to increase the federal participation to seventy-five percent with the remaining twenty-five percent coming from State sources. The investment by the federal government would be returned through growth in the economy.

Your efforts in behalf of STS are very much appreciated. This letter and the accompanying materials, with the exception of the letters from industry, may be used as you see fit in the promotion of STS.

Sincerely,

KENNETH M. CURTIS,
Governor.

DEPARTMENT OF COMMERCE,
Lansing, Mich., August 27, 1969.

HON. WINSTON PROUTY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROUTY: Governor Milliken has asked me to reply to your letter regarding Michigan's State Technical Services Program and to express his appreciation for this opportunity to comment on it. We believe the program is eminently useful and that its value to the economy of Michigan and the region is increasing steadily.

We will take up your questions in order:
(1) To what extent do you rely on the STS program?

The STS program is an important technical arm of state government. It can reach out to industries to help them improve their operations. We have a systematic meth-

od for providing technical expertise to companies that need it. The program is young, but is effective in bringing about the use of new techniques. We expect to depend heavily on it in the future.

(2) To what extent has it helped attract industry to your state?

Michigan is a heavily industrialized state. More than 80% of our industrial growth derives from companies already established here. Consequently, much of our effort to improve the economy is concentrated on helping our existing industry to grow. Bringing new techniques to these industries helps them to increase efficiency, create savings and achieve growth. The program is a significant factor in our economic growth. This effectiveness does not overshadow the program's usefulness in our substantial effort to attract new industry.

The Office of Economic Expansion, which conducts the state's industrial promotion, makes a continuous effort to stimulate the growth of technically oriented industries. We have a growing number of these, and such firms depend for their existence on the availability of technical information and technical and scientific people. Our STS program often can be used to solve production or processing problems of manufacturing firms contemplating a plant location in Michigan. Under these conditions, the STS program becomes a strong attraction to new industry.

(3) To what extent has it helped create new employment opportunities?

The answer to this question is combined with that of No. 4 below.

(4) To what extent has it helped upgrade existing employment?

The STS program has had a substantial effect both on creating new jobs and upgrading existing jobs. A canvass of management in 56 companies in Michigan showed that over a period of six months their sales and employment improved in many cases as a result of the efforts of STS field men.

(5) To what extent has it effectively disseminated technical information which was used to improve business?

The benefit mentioned above indicates how our STS field men disseminate information and expedite its use by industry. A recent analysis of our technical seminars showed that 1,000 attendees generated 191 technical inquiries. From this number, our STS staff identified 94 industrial problems and helped solve 75 of them.

(6) To what extent has the State STS program been used for coordinating other Federal/State programs?

The STS program has drawn on the resources of other Federal/State programs such as EDA and the Upper Great Lakes Commission. This is an area of considerable potential, and it should be expanded.

(7) Please indicate any other benefits that you feel have been derived from your State's participation in the STS program.

Michigan has 11 state-supported colleges and universities. The STS program has proven effective in drawing the technical capabilities of these schools together to work for the good of the entire state with less duplication and competition.

(8) With respect to the above, what is the cost/benefit ratio of your State STS program?

It appears that the ratio of benefits for Michigan industry to dollars expended on the STS program may be extremely high. As a part of our Program Planning and Budgeting System, more precise comparative measures are being developed.

Please feel free to publish this letter in hearings or the Congressional Record.

Sincerely,

RICHARD E. WHITMER,
Director.

OFFICE OF THE GOVERNOR,
St. Paul, Minn., July 21, 1969.

Re Inquiry about Minn. Tech. Services Program.

HON. WINSTON PROUTY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR PROUTY: Following a start-up period of organization, the State Technical Services Program in Minnesota has been in operation about 2½ years. The initial emphasis was on developing the five-year plan as a basic guide to the most effective structure and projects for the annual programs for our state.

From the beginning we have concentrated on personal contact, the face-to-face discussion with the businessman of his problems and needs, which all studies of the technology transfer process have shown is of utmost importance. As you well know, this is time consuming and does not result immediately in large numbers of business contacted. Nor does it result immediately in the kind of data needed for cost-benefit analysis.

In short, we have concentrated on making the STS Program known to the business community and effective in serving it, rather than in developing justification for the Program. In taking this approach, we relied on what we believed to be the intent of Congress in establishing STS as a permanent program.

We have general indicators of the program's effectiveness: cooperative efforts among various agencies, requests for assistance from business previously serviced, and letters of support.

The STS Program in Minnesota is administered by the State Planning Agency and carried out through contract by the University of Minnesota, certain of the State Colleges, and the Minnesota Department of Economic Development. Cooperative efforts have been developed between program participants and additional state colleges, the Minnesota Department of Conservation, various University components not directly involved, and our state planning effort. In addition, under a special grant from the Department of Education Public Libraries Section, the technical library service of the STS Program is servicing public libraries throughout the state in assisting business.

(Furthermore, there now appears to be the possibility of a joint effort between the STS Program and the Upper Great Lakes Regional Commission (of Minnesota, Wisconsin and Michigan) based on a proposal from the State of Michigan.) Requests for assistance from business previously serviced have grown until they now account for around ½ of all contacts. Many of our largest companies have become regular users.

Companies of all sizes and from all areas of the state have written expressing support. Attached is a sample of letters from a year ago generated by an informal survey of companies assisted through the Technical Information Service, and a sample of letters received by my office during our 1969 Legislative session.

While our recent session reduced the budget request for STS, the direct state appropriation was still increased 25% over the previous biennium. The increase was in spite of the decision not to request F.Y. 1970 Federal funding which came during our session. However, the Legislative intent was made quite clear by the following language: "This appropriation is available only if federal funds are available under the Technical Services Act."

In general, Senator, we have found tremendous enthusiasm in Minnesota both for the concept of technology transfer to aid business and for the services received through the STS Program, but we have not structured the Program to provide the definitive qualified data you request.

You certainly may publish this reply with the exception of the STS-Upper Great Lakes Regional Commission proposal. It would be premature to make public mention of that proposal at this time.

Sincerely,

HAROLD LEVANDER,
Governor.

EXECUTIVE OFFICE,

Jefferson City, Mo., July 18, 1969.

Senator WINSTON PROUTY,
U.S. Senate, Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: In answer to your letter of June 27, 1969, I appreciate your interest in the State Technical Services Program which is administered by the U.S. Department of Commerce, and admire the fact that you have chosen to evaluate it on your own.

Enclosed are the answers to your questions in the order presented in your letter.

If we in Missouri can be of any further assistance to you in this effort, please advise.

Sincerely,

WARREN E. HEARNES,
Governor.

1. The Missouri State Technical Services Program is administered through the Division of Commerce and Industrial Development in our State and is the only program we have established for aiding and assisting existing industry. Approximately ⅓ of the increase in jobs in Missouri each year is due to expansion of our existing industry, and yet, until this program, we had no means of helping these plants stay alive, thrive and expand.

2. We have found that industrial prospects are not interested in a community where other manufacturing firms are not happy or where they are struggling for existence. Through the services of STS these companies can stay up to date on new techniques, procedures and products, and therefore stay competitive. Knowing this is readily available throughout our State impresses prospective industry and, I am sure, influences their desire to locate here.

3. As stated previously, services offered through the STS Program give a plant an opportunity to stay abreast of new techniques and possibly new products. We have several examples of industries who have expanded their operations due to services rendered through STS and increased the number of jobs in a community. For example, a Kansas City metal fabricator faced the decision to refurbish or replace a product line for manufacturing beer barrels. After attending an STS Operations Analysis Seminar and with the help of course faculty officials of the company programmed and conducted such a sophisticated analysis that decision was made to make the necessary investment. In addition, one potential customer was so pleased with the market projection that they awarded the fabricator a three million dollar contract for purchase of beer barrels. Employment in the plant already has increased by eighteen people, primarily because of increased stainless barrel production. Another instance involves a company which previously had made metal furniture and wished to expand the product line which would include laminated tops for office tables and desks. Through a Missouri STS field agent and the Wood Utilization Specialist of a Special Merit STS Project, assistance was given in all aspects of plant lay-out, scheduling and flow as well as techniques for laminating plastics to wood. A new building is underway which will house twenty to twenty-five employees.

4. Courses offered through this Program are of such technical nature that they are not readily available and are attended by persons who must keep themselves alert to the advancements in their fields to keep

themselves and their companies competitive. As companies up-grade their technical levels, employees must also keep current and advancing.

5. Requests for technical information from the Technological Information Center located at the Linda Hall Library of Science and Technology are almost doubling each month. Requests for technical assistance and information made through the Industrial Referral Center at this half-year point in our Program are three times the number of requests made the whole of last year. The effectiveness in utilizing this information is shown through reports of job increases, job advancements, plant expansions, increased production and money saved.

6. No other federal-state programs are coordinated through the State Technical Services Program. However, the cooperation of all agencies are utilized when pertinent to the problem at hand. These agencies are also welcome to utilize the STS Program for the benefit of the State and its industry when necessary.

7. One of the primary benefits resulting from this Program, other than direct and indirect technological advancement and assistance for industry, is the spirit and practice of cooperation between the State-supported and private educational institutions which have grown for the first time through this Program. Each institution is now pulling with the others for the betterment of the whole State. This Program also provides the means for colleges and universities to have more interaction with business and industry and assists these institutions in relating more directly to industry needs.

8. We have not been, up to this time, recording cost/benefit figures. We do record benefits resulting from individual projects or activities, and estimated savings. However, even this type of follow-up has not been strenuously pursued up until the last few months. Although this program is extremely beneficial for Missouri industry, much of this is of an intangible nature. It should be pointed out that the cost of administering this Program on the State level last year at approximately \$25,000 is extremely small when compared with just one example of savings of one million dollars per year estimated by a company and resulting from a new technique one of its employees learned at an STS sponsored course.

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE,
Richmond, July 17, 1969.

Senator WINSTON PROUTY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY: I very much appreciate your continuing interest in the State Technical Services Program as well as the opportunity to respond to your inquiry concerning its value to commerce and industry in Virginia. Your letter of June twenty-seventh contains several perceptive and penetrating questions very similar to those addressed in a recent evaluation of Virginia's Program, a copy of which is enclosed for your information and reference. For your convenience, I will restate your questions and comment in capsule form on each separately.

1. "To what extent do you rely on the S. T. S. program?"

Virginia's State Technical Services Program is a major link between education and industry and a primary means of transferring technical information.

2. "To what extent has it helped attract industry to your State?"

Our Program provides the mechanism for disseminating advances in technical knowledge and for marshalling resources of the State and Nation in the solution of commercial and industrial problems. Thus, it is a

significant factor in the economic growth of domestic industry and provides a wholesome environment for new industrial development.

3. "To what extent has it helped create new employment opportunities?"

It has helped create many new jobs in industry and commerce . . .

4. "To what extent has it helped upgrade existing employment?"

It is difficult to evaluate the extent to which existing employment has been upgraded, although significant strides have been made and is evident throughout the enclosed Report. As illustrated in our case studies, the application of waste products of industry to useful purposes is of incalculable benefit. Generally, technological advancements, in the long run, always have an enhancing effect on the quality of employment.

5. "To what extent has it effectively disseminated technical information which was used to improve business?"

The report is replete with salutary examples and case histories. In addition, many educational programs have been conducted with multifarious benefits, though intangible and unquantified.

6. "To what extent has the S.T.S. Program been used for coordinating other Federal/State Programs?"

Through the State Council of Higher Education, the State Technical Services Program and other higher education programs are coordinated to provide business and industry a full range of services. Our State Technical Services Program is a vital link in our higher education public service efforts. . . .

7. "Please indicate any other benefits that you feel have been derived from your State's participation in the S.T.S. Program."

Our Program is an effective instrument in the development of an industrial extension program for the entire State.

8. "With respect to the above, what is the cost/benefit ratio of your S.T.S. Program?" . . . the cost benefit ration ranges from 1/100 on the overall program to 1/1,000 on individual case histories.

In conclusion, I think it is appropriate for the National Program to be evaluated at this time after three years of operation. If Virginia's experience, which I have described and which is fully documented in the enclosed report is any indication of the value of the program to the national economy, it would seem appropriate that the program be substantially expanded in the ensuing fiscal year.

Sincerely,

MILLS E. GODWIN, JR.

STATE OF WEST VIRGINIA, OFFICE
OF THE GOVERNOR,
Charleston, July 21, 1969.

HON. WINSTON PROUTY,
U.S. Senate,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: I am pleased to reply to your letter expressing your interest in the State Technical Services Program more especially since I, too, have a continuing interest in giving assistance to business and industry. Early in this administration the office of Federal-State Relations was created within my office. The STS Program is now administered by Federal-State Relations and not by our State Department of Commerce.

It is my feeling that the STS program can be an effective means of keeping our industrial firms abreast of the latest technical advances in their particular fields. Its existence as a functioning unit out of my office is evidence of my feeling about the Program and of our desire to offer assistance to businesses—scientific and technological assistance in fields they might not otherwise

be able to obtain. By introducing new methods, inventions, and innovations coming out of government and privately financed research, STS has given our manufacturers the opportunity to improve their products and processes; and, in some cases, has encouraged them to broaden their product line into related fields of endeavor. In this respect, STS has been instrumental in stabilizing the existing level of employment and added new jobs as well.

Since its inception in West Virginia a little over two years ago, the Program has generated over 320 requests for technical information. This has been done through field contact service, news brief publications, institutional contacts, seminars, etc. The field contact service has provided an excellent means of promoting and coordinating the services of other state and federal agencies designed to aid the business communities. Field contact representatives fairly knowledgeable about related agencies have made some 180 documented referrals to these agencies in the course of their STS work.

The STS Program has proven to be an effective wedge in establishing closer relations between the business community and state government. It has been beneficial to large industry as well as the smaller manufacturers. In several cases it has led the large manufacturers to lower cost sources of raw materials and services closer to home. It has been of notable help in aiding small business to obtain government contracts.

To document the specific benefits derived from this Program with its inherent intangibles is difficult. In the last three months we have started a follow-up procedure on services rendered in an attempt to dollarize derived benefits. Federal funds expended to date amount to \$112,000.00. We are sure this investment has been returned several times in benefits accruing to West Virginia industry. Our neighboring state of Virginia recently published a report entitled "Specific Benefits Report". This report shows that within the state their STS efforts have resulted in a possible 1,000% return on the STS money spent.

We, in West Virginia, are of the opinion that this Program is needed. It should be continued and with a higher funded level, could be made even more effective. In fact, the most serious criticism of the Program, it seems to me, is simply that there has not been enough money to accomplish the task set forth.

You should be aware that Federal Funding on the basis of population works a disadvantage on West Virginia. Many persons work in this state but live in the neighboring states of Ohio, Pennsylvania, Maryland and Virginia. Some consideration should be given to increasing grant levels to the lesser populated states.

Finally, if your office summarizes a report of your findings, we would be most interested in receiving a copy. Again, I sincerely appreciate your giving me the opportunity to provide you with my thoughts and certainly, you may publish this reply in hearings or the congressional record.

Cordially,

ARCH A. MOORE, JR.,
Governor.

STATE OF WASHINGTON, OFFICE OF
THE GOVERNOR,
Olympia, July 22, 1969.

HON. WINSTON L. PROUTY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY: We sincerely appreciate the interest that you are taking in the State Technical Services program and are glad to have this opportunity to express our opinion of its merits.

In our State we feel it has demonstrated an excellent potential for contributing to

economic growth despite the short period it has been in effect. Because of such a brief history with the program, we have found it difficult to establish a direct causal relationship between an STS activity and allied economic developments.

Responding to your queries in order, we have had the following experience with our STS program.

1. Our universities rely on this program to initiate extensions of continuing education programs into areas of industrial education which they are otherwise unable to undertake. Several of their STS projects are now continued on a self-supporting basis after STS provided the seed money for their initiation. As these projects reach a self-sustaining basis, STS funds are shifted to new activities, thereby catalyzing the development of a sequence of programs directed toward technological and economic growth.

For many years, industry in the Pacific Northwest has relied upon the Technical and Specifications Center of the Washington State Department of Commerce and Economic Development for military specifications and special information services. The STS program is enabling us to expand this service to include many other types of technical information commonly needed by industry and commerce, but not readily available from other public sources in this region, i.e., various engineering and materials specifications and standards, patents, vendor catalogs, roster of technical expertise, directories of information resources and of industrial education courses, and a clearinghouse for technical information on air and water pollution control methods. We feel as this repository grows and as its staff gains proficiency, industry will place increasing reliance on this service.

2. In this initial phase no extensive use of the STS program has been made by industrial development groups for attracting industry to the state. The program has enabled us to make a profile of the technological interests of the state that will be of assistance in projecting future industrial development.

4. The principal effort of the STS program has been through industrial education programs for technical and management personnel. Most of these were conducted within the past two years and in this short period no assessment can be made of their impact on upgrading existing employment.

5. Our STS program has made two unsuccessful attempts at the dissemination of "pre-packaged" technical literature. A more direct person-to-person contact appears necessary to effect this type of literature dissemination.

6. The STS program has had very little involvement with other Federal-State programs except for cooperation with the State Library in its library development program under the Library Act.

7. One of the principal benefits has been to create an increased involvement by our academic institutions with industrial problems.

We have found that users usually associate a project with the participating institutions, but seldom identify the State Technical Services program as a sponsor. Despite this problem of identity, we feel that substantial progress is being made toward achieving the goals stated in the State Technical Service Act of 1965.

I hope this letter provides the needed information. Please let me know if we can be of further assistance.

Sincerely,

DANIEL J. EVANS,
Governor.

THE STATE OF WISCONSIN, EXECUTIVE OFFICE,

Madison.

Hon. WINSTON PROUTY,
U.S. Senator, U.S. Senate, Committee on
Commerce, Washington, D.C.

DEAR SIR: I appreciate your interest in the State Technical Services Program and I am glad to add my comments for your evaluation.

Whereas the state units and the State Technical Services program are coordinated through meetings between the University and the related State Departments, our reliance upon the State Technical Services program is primarily in serving the industry in the State. This service is made known as one of the resources to be used and is recommended by advisors in assisting our Wisconsin companies and it is described in literature about resources in the State. There is no evidence, however, as to whether or not it has helped attract industry to Wisconsin.

From information supplied to me by the State Director for the annual report, the Information Services answered over 4,000 requests for technical information this year and the Field Services made over 100 calls on companies and replied to some 1,400 telephone requests for information. I believe this has demonstrated a good dissemination of technical information.

The dollar benefits from the transfer of knowledge inevitably are difficult to determine early in any utilization. A sample of the major users of the services indicated that about one half could fix some dollar value of savings, sales, development program expenditures or capital investment which resulted from the services. A selected sample of ten users yielded a short-term benefit of about \$3 million and a five-year potential of an estimated \$20 million.

A major benefit often overlooked is the savings to the taxpayers by using existing facilities and staff. The University of Wisconsin Engineering Library has estimated that the use of the library in the State Technical Services program has resulted in a savings to the using companies in the State of the order of \$750,000 per year because the library holdings and clerical staff need not be duplicated in all of the using firms.

Because of the nature of the sampling and the intangible benefits, no reliable overall cost/benefit ratio can be determined at this point. A lower bound on this number, however, appears to be at least a return of ten dollars for each dollar invested in the program if no multiplier effects are considered.

The coordination with other Federal/State programs such as EDA and the National Science Foundation's Sea Grant Program has been excellent. The similarity of objectives has permitted a good exchange of expertise and operations. The cooperation generated between engineering and business faculties and between institutions has been gratifying and an unexpected side benefit. There is an increased interchange and cooperation among the states and an increased use of State and Federal resources.

In summary, I believe the beginning of substantial help can be seen especially in the increased awareness of the smaller firm in the benefits to be derived from the use of new technologies and the available resources. At a time when the nation faces many needs and priorities, we must not neglect industry a segment of our economy that provides jobs and tax base important to our national goals. Our economists make a convincing argument for increased productivity as a major asset in meeting this challenge. The available technical information properly disseminated should materially aid in achieving this objective.

Sincerely,

WARREN P. KNOWLES,
Governor.

STATE OF NEW HAMPSHIRE,

July 9, 1969.

From: Zandy Taft, Coordinator of Federal Funds.

To: Senator Winston Prouty.

DEAR SENATOR PROUTY: Thank you for your letter of June 27th regarding the State Technical Services Program in New Hampshire.

Many answers of the questions you put are as follows:

1. N.H.'s participation in STS is based on the premise that the effective application of science and technology in business and industry will stimulate increased economic progress for the State. . . .

2. Hard to measure, as this is not one of primary STS goals. STS staff has worked with several company representatives, however, major emphasis has been on existing industry.

3. & 4. Some new employment has resulted from STS efforts, but major emphasis has been on upgrading existing employment base, through continuing education activities.

5. Quite extensively, as measured by documented evidence from a number of firms who have participated in the program.

6. STS has been used in coordination with a number of Federal and State programs and agencies, emphasizing the following: Small Business Administration, New England Regional Commission, New England Governor's Conference, New England Marine Resources Information Program, N. H. Industrial Development, N. E. Technical Services, Tuck School (Dartmouth) Boston College, Battelle Memorial Institute, and the Resources Development Center, Engineering Experiment Station, Cooperative and University Extensions, University of New Hampshire.

7. STS has increased awareness of available technology-transfer capabilities of existing State and Federal agencies and institutions, and more utilization thereof.

8. Documented economic returns to the State to date indicate a cost/benefit ratio of 1/1, a reasonable multiplier effect would indicate about \$2 return for every \$1 expended.

To summarize, I feel that the STS program has been of real benefit to the State, in that it provides technical service opportunities to many smaller firms, enabling them to compete technologically with larger firms in other states. The flow of technology to New Hampshire firms has been accelerated, a critically important factor in this era of rapid technological change.

You have my permission to publish any remarks and hearings for the congressional file.

Sincerely,

ALEXANDER M. TAFT.

STATE OF NEW JERSEY, DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT,

Trenton, July 23, 1969.

Hon. WINSTON PROUTY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY: * * * A number of technical inquiries have been received, and fortunately our record is a good one because we have been able to provide valuable information to each inquirer to date.

The basis of our New Jersey Program will be a comprehensive Information Center and a strong Engineering Extension Service, both in cooperation with Rutgers, The State University.

At the present time we are revising our current program in an effort to make it even more relevant to the needs of our State and particularly those of our underprivileged minorities.

We are very enthusiastic about the State Technical Services Program because we feel

that it will make New Jersey industries more competitive, that it will attract new industry to our State, and that more jobs and increased ratables will be provided. Furthermore, to strengthen the State program we are participating actively in a Regional Information System which will incorporate the libraries and information facilities of our neighboring states of Pennsylvania and Delaware into a single organization that will provide much more to New Jersey customers than would be possible were we to limit our efforts to the area within our political boundaries.

Included in our program for the current year will be a cost/benefit ratio study which will provide us with precise statistical data. Therefore, a year from now we will be in a much better position to provide you specific answers to the interesting questions you have raised.

Sincerely yours,

ROBERT A. ROE,
Commissioner.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, July 31, 1969.

HON. WINSTON PROUTY,
U.S. Senator,
Old Senate Office Building,
Washington, D.C.

DEAR WIN: Thank you for your recent letter regarding the State Technical Services Program.

State Commerce Commissioner Neal L. Moylan recently advised me of the Arthur D. Little Company's evaluation of STS programs. His Department was contacted by that company and has provided them with operational statistics and specific case histories pertinent to the New York State Program. I have asked Commissioner Moylan to also send this information to you.

I am concerned about the ultimate fate of this excellent program. We recognized the potential benefits of STS and consequently New York State has actively supported it from its beginning.

From inception through fiscal 1969 nearly one million dollars will have been expended by the State to support STS. Nineteen regional centers have already been established. Over 40,000 requests for assistance have been acted upon.

At present, the program provides the only direct communications channel between industry and educational centers throughout the State. Many concrete benefits to specific industries have resulted thereby. I believe that the long-term benefits of this interchange of knowledge, if it is allowed to continue, are of immeasurable value to the future growth of the State.

It is difficult to see how industries, in particular small ones, will be able to function effectively as the already rapid pace of technological change accelerates in the years to come without STS or its equivalent to aid them.

I strongly recommend that Congress provide adequate funds to continue the program. It has proven valuable to New York and to all the states in the future.

In answer to your question, I have no objection if you wish to include these remarks in the *Congressional Record*.

Sincerely,

NELSON A. ROCKEFELLER.

STATE OF NEVADA,
Carson City, Nev., July 10, 1969.

HON. WINSTON PROUTY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROUTY:

There is no doubt of the value of such a program to Nevada, especially when we are in the greatest industrial and economic ex-

pansion in our history. To have the resource information and the advantages of on-going research is one thing—For business to receive this knowledge is another. I feel the STS program is exactly the answer to the problem of information dissemination.

By the redesignation to the state level and continued coordination with the University System, I feel the program will improve to meet the needs of the people and business in Nevada.

In answer to your questions 2, 3, 4, and 8—I am told the former plan did not call for a cost/benefit ratio study and therefore, figures on the actual results of STS in fields of employment and business attraction are not available; however, once combined, services and assistance of all levels are helpful to business an industry.

Senator, there are many individual examples of praise for the past STS program and the help given to firms and companies located in my State. I can only say, we hope to improve and expand the advantages of modern technology to more people and with less staff salaries.

I wholeheartedly support the continuation of the STS program and feel a determination should be made by Congress as soon as possible, as the remaining funds will not permit prolonged activity.

Best personal regards.

Sincerely,

PAUL LAXALT,
Governor of Nevada.

STATE OF NORTH CAROLINA,
Raleigh, N.C., July 15, 1969.

HON. WINSTON L. PROUTY,
U.S. Senator,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR: Thank you for your letter of June 27 regarding an evaluation of our North Carolina State Technical Services Program. Governor Scott has requested the Department of Administration, which is also the Designated Agency for the State Technical Services Program in North Carolina, to respond to the questions you have presented. Our most considered answers to these questions are as follows:

1. To what extent do you rely on the State Technical Services Program?

Most inquiries of a technical nature are referred to the Department of Administration or to the Department of Conservation and Development. I know that there is excellent personal working relationship between these departments and the participating institutions of the State Technical Services Program. The exchange of ideas and information between these groups is, in my opinion, highly beneficial in providing the most useful and appropriate response. This is particularly effective in serving the small industries of our State.

2. To what extent has it helped attract industry to your State?

There are many contributing agencies to our industrial development program and our University service agencies are involved in varying degrees. Some specifics directly related to the State Technical Service Program would include the following:

(a) Many industries need to know of special technical or manufacturing capabilities within the area being considered as a possible new plant site. Here again, because of the excellent communications between the Department of Conservation and Development and State Technical Service Field Representatives, answers are supplied from persons most familiar with the existing industry in the state.

(b) Under the North Carolina State Technical Services Program, several directories have been compiled which identify scientific and technical capabilities within the State. These serve multiple purposes but are most useful in demonstrating to new firms the

technological advancements our industries have made in recent years.

(c) New companies considering North Carolina as a potential area for expansion are usually concerned with educational offerings which will be available to their top scientific, engineering, and management personnel. As you know many such programs are sponsored or coordinated by State Technical Service personnel.

3. To what extent has it helped create new employment opportunities?

We must admit that we have not kept as good a record on this as we probably should have. Let me answer it this way: During the past two years, our State Technical Services Field Representatives have personally contacted over 2000 industries. Their mission was to inform and encourage participation in many informational, educational, referral and technical assistance projects. During the current year, 500 companies were contacted and about 366 firms received technical assistance or information. We couldn't have done this amount of work and evaluated each and every project so let me cite some recent examples:

(a) Sixteen new persons employed by a metal plating firm due to increased business directly resulting from liaison efforts of a State Technical Services Field Representative.

(b) Seven new persons employed by a small upholstered frame manufacturer due to the implementation of cost control systems and plant layout changes recommended by State Technical Services Representatives.

(c) A plant employing 40 people credits the State Technical Services Program with "saving" 20 jobs because of their cost reduction efforts.

Other projects not yet brought to fruition along with additional follow-up on completed projects would provide many other examples.

4. To what extent has it helped upgrade existing employment?

The State Technical Services Program provided the impetus to extensively expand the engineering continuing education program. To illustrate this, 27 short courses and Educational Television programs were held in 1966-67, 48 in 1967-68, and 71 in 1968-69. This past year (1968-69) there were 4617 attendees as compared to 1962 in 1965-66.

The loan of training aids for use by industry has been a continuing State Technical Services project. This past year there were 2157 film loans as compared to 996 in 1965-66. We estimated that over 30,000 industrial employees benefited by the inclusion of these visual aids in industrial training programs.

5. To what extent has it effectively disseminated technical information which was used to improve business?

This past year our Technical Information Center has performed over 400 library searches for business and industry in the State. In addition, ten information resource guides have been compiled and distributed upon request.

The Science and Technology Research Center has prepared more than 30 bibliographies on topics with broad general interest to North Carolina industry. The Science and Technology Research Center utilized the Triangle University Computation Center facilities to search more than half a million technical and scientific documents.

6. To what extent has the State STS Program been used for coordinating other Federal/State programs?

I believe that our State Technical Services Program has helped considerably in improving communications and cooperation between many Federal and State programs. Coordination doesn't exactly fit here. For example, all personnel involved in the State Technical Services Program have become better acquainted with persons in other agencies (in

fact, have been required) to become knowledgeable of other programs so that duplication of effort will be avoided. This applies to both State and Federal programs. As a result, there are many referrals and cooperative projects between the Small Business Administration office in Charlotte, the United States Department of Commerce Field Office in Greensboro, the Economic Development Administration, and State Technical Services personnel and participating institutions.

7. Other benefits (see letter for complete question).

Up until now we have been talking in terms of very tangible benefits, but now allow me to be a bit philosophical.

The State Technical Services Program has allowed us to establish a firm approach of assistance to many businesses, industries, and individuals with problems or needs that cover a multitude of topics that do not fit neatly into any one agency's responsibility. Although most of the inquiries are of a technical or managerial nature, everyone requires personal attention for the most satisfactory results. It is this intangible benefit of personal consultation given or arranged by State Technical Services personnel that constitutes a great majority of the "other benefits" derived by this program. I do not know the "batting average" for the success of new ideas or new products, but it seems that I remember a quote of "only one or two out of 100 ever reach a good measure of success". The same holds true for many of the persons contacted under the State Technical Services Program; i.e., for every success story we cite, there must be several dozen that are concluded with no measurable results—except that the firm or individual has the satisfying feeling that the best effort from an assisting agency has been obtained.

8. Cost/Benefit Ratio.

Educational, referral, and information programs are most difficult to evaluate. The effectiveness of our State Technical Services Program can best be measured by the greatly increasing demand for the services it provides. We are instituting a formal dollar evaluation procedure this year and are confident that these results will be most gratifying. A partial answer can be obtained by referral to the report supplied to the Office of State Technical Services about four months ago.

In closing, I would like to note that during the past three years, we in North Carolina have made a conscientious effort to establish a stable and effective program for assistance to commerce and industry. A very good beginning has been made—one that should be continued and expanded. In fact, our State Legislature believes in the program so strongly that State matching funds in support of this act have been available for the past two years and are now committed through 1970. We sincerely hope that your Committee on Commerce will see the same potential and make a similar commitment on a National level.

Sincerely,

W. L. TURNER.

COMMONWEALTH OF PENNSYLVANIA,
Harrisburg, Pa., July 14, 1969.

Hon. WINSTON PROUTY,
Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROUTY: Thank you for your letter of June 27, 1969, in which you express your interest in Pennsylvania's experience with the State Technical Services Program. I appreciate the opportunity to reply to your specific questions concerning the application of the program in Pennsylvania.

The responsibility for the State Technical Services Program in Pennsylvania has been assigned to the Bureau of State and Fed-

eral Economic Aid in the Pennsylvania Department of Commerce. The Act is administered by the Pennsylvania Technical Assistance Program (PENNTAP) with the Pennsylvania State University being the Designated Agency. PENNTAP exists solely to disseminate technical information and to carry out the provisions of Public Law 89-182.

1. "To what extent do you rely on the S.T.S. program?"

The Commonwealth of Pennsylvania relies on the S.T.S. program as the means for placing technical information in the hands of industry—to improve products and services, increase profits and (as a result) provide additional employment possibilities within Pennsylvania.

In the last full year for which data is available (July 1, 1967—June 30, 1968), PENNTAP services were used by 976 companies. This is an increase of 219% over the previous program year.

The growth pattern of industrial users of the State Technical Services Program in Pennsylvania (PENNTAP) has been a slow but steady increase. This is graphically presented in the attached chart of just one of our projects—the Library Information Services. A constant problem remains of reaching effectively the maximum number of potential users of PENNTAP services—especially the small businessman.

2. To what extent has it helped attract industry to your State?"

The Pennsylvania Technical Assistance Program has been concerned primarily with assisting the more than 17,000 industrial establishments already located within our Commonwealth. Emphasis under the S.T.S. program has not been placed on attempting to attract industry from outside the State. However, the availability of the PENNTAP services have been utilized by some out of state publicity to indicate services that are available to industry once it locates within the Commonwealth. The emphasis has been to upgrade present industry through providing technical knowledge which will have economic impact.

3. "To what extent has it helped create new employment opportunities?"

The stress of PENNTAP has been to provide technical information as an answer to existing technical problems. We think that in the process we are creating the probability of new employment. Pennsylvania is blessed with a larger industrial community and our philosophy has been to make them as strong technically and economically as possible. The resulting expansion, we believe, will eventually lead to new employment possibilities.

4. "To what extent has it helped upgrade existing employment?"

Once again our emphasis has been on helping the "decision makers" of organizations receive the technical information they need to strengthen their companies. You will recall that Public Law 89-182 does not permit the direct training of hourly workers; therefore, the upgrading of existing employment has been exclusively on the managerial, technical level with the individual companies following through on the updating of their hourly employees as needed based upon technological change.

5. "To what extent has it effectively disseminated technical information which was used to improve business?"

Attached to this correspondence is a series of selected case studies which illustrates the diverse type of assistance provided to industry. In some cases you will note that actual dollar savings occurred as a result of applying a technological answer to an existing problem and thereby eliminating waste or improving production. In other cases you will see where contemplated processes and the resulting expenditures did not occur because the knowledge prevented the com-

pany from making a mistake. In other categories, you will note that costly time and money in conducting research was eliminated due to the availability of existing information when supplied to the industrialists. Our experience has been that the greatest effectiveness occurs when a person to person situation exists—where a specific solution can be suggested to a specific problem.

Also attached to this correspondence is a copy of the remarks made by Mr. Everett Zurn, Chairman of Zurn Industries of Erie, Pennsylvania, and a member of the National Evaluation Panel appointed by the U.S. Secretary of Commerce. Mr. Zurn, who had the privilege of reviewing a number of the state programs as a member of the Panel, has indicated that he felt the Pennsylvania program was being quite effective in the dissemination of technical information.

6. "To what extent has the State STS program been used for coordinating other Federal/State programs?"

Pennsylvania is fortunate in having in its state government the Bureau of State and Federal Economic Aid, which coordinates many grant assistance programs on behalf of the Commonwealth and the State responsibility for PENNTAP has been assigned to the Director of this Bureau.

PENNTAP has a very close relationship with the U.S. Department of Commerce Field Office in Philadelphia and has been instrumental in developing informal but practical technical transfer programs between the states of Delaware, New Jersey, and Pennsylvania. PENNTAP is also actively coordinating its activities with such state programs as the Pennsylvania Science and Engineering Foundation, the Governor's Science Advisory Committee, the State Department of Commerce (Industrial Development Division), the numerous Economic Development Councils and Local Development Districts of Appalachia Pennsylvania, and in the past—where applicable—through such other programs as EDA and SBA.

7. "Please indicate any other benefits that you feel have been derived from your State's participation in the S.T.S. program."

I have attempted to point out in the selected case studies (which are attached) the specific technical benefits that are accruing. There are many other intangible benefits which at this point are hard to evaluate. Specifically, PENNTAP has provided the means whereby an industrialist who is on "dead center" not knowing where to turn for assistance now has an organization available to him which can now make him aware of the countless resources available to him within the Commonwealth of Pennsylvania. Through PENNTAP, an exchange of ideas is occurring between the members of the academic and industrial communities and communication, which is so vital to our technological society, is improving.

8. "With respect to the above, what is the cost/benefit ratio of your State S.T.S. program?"

This is truly a difficult question and I am not sure an answer exists. For example, 20 people attended a three-day session devoted to helping them reach a decision as to whether or not they should automate their plant. One individual decides, as a result of the conference, that automation is needed by his organization. He then has an engineering firm design the equipment, capital funds are secured, and plant layout changes are made. Perhaps a period of 18 months to two years passes before the results are seen. At that point, how much of the cost of putting on the seminar versus the effectiveness of the automation change can be attributed to an STS program and how much to individual company management, consulting engineers, manufacturers, etc.?

Another example: a company intends to spend money to change a production process which they think will correct an existing

problem, and through PENNTAP they are shown that this change will not solve their problem. What should be the economic cost/benefit ratio here?

One of the big problems that we are encountering is that companies are extremely reluctant to provide specific dollar figures on benefits derived since they are in an extremely competitive market and prefer to be very vague about such data. It would seem to me that the proof and the benefit of the program are being clearly demonstrated in the number of new users of the program and to the number of industrial organizations that have become repeat users. Our files are fairly full of industrial companies thanking us for the assistance but very little can be translated into direct statistical data.

I hope the above information is helpful and if you would care to have additional information or copies of our project or annual reports, I will be very happy to send such literature to you.

You have my permission to publish this reply in hearings or in the Congressional Record.

Sincerely yours,

RAYMOND P. SHAFER.

STATE OF SOUTH CAROLINA,
Columbia, S.C., August 11, 1969.

Hon. WINSTON PROUTY,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR PROUTY: This is in reference to your recent letter requesting my comments on several questions relating to the State Technical Services Program. Attached is a copy of a memorandum which expresses the comments of the State agency designated to operate the Technical Services Program. You have the permission of this office to publish these views in the Congressional Record.

Sincerely,

ROBERT E. MCNAIR.

INTER-OFFICE MEMORANDUM, STATE DEVELOPMENT BOARD, COLUMBIA, S.C.

Date: August 5, 1969.
From: P. M. Smurthwaite.
To: Mr. J. D. Little, Jr.

Subject: Comments in Response to Senator Winston Prouty's Letter of June 27 to Governor Robert E. McNair on the Subject of the State Technical Services Programs.

1. To what extent do you rely on the STS program?

The State Technical Services Program has served as the seed bed for a comprehensive program of service to industry throughout the state of South Carolina. This program is administered by the South Carolina State Development Board and is the focal point for activities designed to assist industries who have recently established operations in the state and to enable existing industries to take advantage of the latest techniques to present a more competitive posture.

2. To what extent has it helped attract industry to your State?

We believe the South Carolina program is so closely keyed to the needs of industry that it represents a plus factor in discussions with new industrial prospects. The STS program has provided an essential working link between new industrial prospects and the capabilities of universities in South Carolina. The easy accessibility to university expertise is important in attracting technically oriented industry which is so essential to the diversification of our industrial economy.

3. To what extent has it helped create new employment opportunities?

The central thrust of the STS program in South Carolina has necessarily been through an active field service project designed to provide diagnostic and remedial assistance to small and medium size industries. Over 100 companies have been helped significantly

through this program to upgrade their manufacturing operations, increase productivity and reduce costs. The outstanding benefit resulting from these services is to increase competitive ability and make it possible for these manufacturers to retain present markets, increase profit margins and expand their sales. All of these conditions are essential to creating new employment opportunities from existing industries. Furthermore, this is the only effective way to combat inflationary tendencies—increased productivity of individuals and organizations.

4. To what extent has it helped upgrade existing employment?

During the last decade South Carolina has realized rapid industrial development. Our present programs call for a continued emphasis on the attraction of new industries which are technically oriented and which will provide a broader base for our economy. Before this industrial development era, labor was wasted and underpaid because of the buyer's market which existed. Industrial development programs are designed to change all this and, in terms of 1959 conditions, there is a "labor shortage." The STS program is essential in helping labor intensive industries adapt new techniques, processes and equipment to avoid the unnecessary use of labor where organizational, method or equipment improvements can be applied. The STS program tends to eliminate or minimize the laborious tasks previously carried out by the surplus labor force and substitute higher skills to operate mechanized equipment.

5. To what extent has it effectively disseminated technical information which was used to improve business?

Three avenues of information dissemination have been used, in this order of effectiveness:

(a) Workshops, seminars and conferences. Through the cooperation of universities in South Carolina several seminars and workshops have been presented which have brought to industry the latest pertinent technology. The response from participants in these sessions indicates they have provided both valuable information and vital stimulus to the participants and the industries for whom they work.

(b) Special projects—Color Measurement Clinic (Clemson) and Foundation Design Manual (University of South Carolina). These two special projects have organized and presented information to two important areas in South Carolina's developing economy. First, the Clemson project has been very effective in serving the textile industry in South Carolina as well as neighboring states and throughout the country. The Foundation Design Manual dealt with peculiar problems of construction throughout the state and reached the concerned personnel of industrial and utility construction groups.

(c) Dissemination of information from the Clearinghouse for Federal Scientific and Technical Information. A continuous dissemination of this information to South Carolina industries has been administered by STS. We believe that the transmission and infusion of this information from federally sponsored research programs to South Carolina organizations can be of significant importance, but our feedback and measurement cannot quantify this value.

6. To what extent has the State STS program been used for coordinating other Federal/State programs?

This has been an area in which the field service program and the central program administration has been most useful in directing and coordinating industrial needs with federal programs. Our STS staff is completely informed of all other state and federal programs and has continuing dialogue with EDA, OEO, SBA, FHA, Coastal Plains, ESC, and MDTA programs.

7. Please indicate any other benefits that

you feel have been derived from your State's participation in the STS program.

Probably the one single benefit that far exceeds all others is the rapport that has been established between ongoing industry throughout the state and the South Carolina State Development Board. This program has assumed the function of a clearinghouse for a wide variety of problems that face small and medium size companies, as well as an occasional corporate giant and for which there is not obvious contact of source of information.

8. With respect to the above, what is the cost/benefit ratio of your State STS program?

The cost/benefit ratio of the program has been an elusive criterion which we have sought to establish and which we discussed thoroughly with the Arthur D. Little Company during their recent evaluation. A rational figure has not been developed but perhaps the program can best be evaluated by considering the total cost during the past two fiscal years (\$75,000 per year—federal) against the benefits and activities discussed above.

I call your attention to the fact that Senator Prouty requests permission to use our reply in hearings or the Congressional Record. I would also expect that Governor McNair would want to send a copy of his response to Senator Hollings because he is on the Commerce Committee along with Senator Prouty.

STATE OF TEXAS,
Austin, Tex., July 11, 1969.

Hon. WINSTON PROUTY,
U.S. Senator,
Committee on Commerce,
Washington, D.C.

DEAR SENATOR PROUTY: Thank you very much for your letter of June 27, 1969, which requested information on the Texas State Technical Services Program.

The State of Texas has always been a strong supporter of the S.T.S. Program. The Texas Five Year Plan to implement the State Technical Services Act and the First Annual Program were submitted in January, 1966 and was the first program approved by the Department of Commerce. Since that time Texas has expended approximately \$850,000, of which approximately \$450,000 were federal funds. Because of the tremendous pressures on Texas general revenue funds, the non-federal matching dollars were provided by the universities and by the private enterprise users in the form of fees charged. Because of the necessity for recouping a sizable portion of their costs through user fees, the participating institutions have primarily provided technical services for the larger firms. As Governor, I intend to try to develop a plan for use of the S.T.S. Program which will provide more assistance to those small firms which need help but cannot afford the cost.

We do not rely on the S.T.S. Program in the sense of our being solely dependent upon the program for providing technical assistance. However, we do feel that the S.T.S. Program is an imaginative one with tremendous potential and one which we hope will expand and develop into a program upon which we can rely as the primary source of technical assistance for Texas business and industry.

Quotation of statistics or even specific instances of industry being attracted to Texas as a direct result of our technical assistance program would be extremely difficult. The Coordinating Board, Texas College and University System, which administers the S.T.S. Program in Texas, prepared a Directory of Research Facilities available through the S.T.S. Program which was distributed by the Texas Industrial Commission to over 1,000 out-of-state business and industrial firms. The effectiveness of such efforts is difficult to

gauge and any positive results of such efforts will likely be long-term rather than immediate.

A study of seven case histories of technical services provided by Southern Methodist University's Industrial Information Service showed that the services resulted, either directly or indirectly, in the creation of approximately one hundred and forty new jobs, increased sales of approximately ten million dollars for Texas firms and a savings of \$250,000 that would have been wasted on a project doomed to failure because of technical defects. To date, the Industrial Information Service has received and obligated \$142,536 of S.T.S. funds. All matching funds have been paid by Southern Methodist University and by the firm assisted in the form of user fees. It is estimated that Federal tax revenues have been increased by \$657,500 as a result of the S.T.S. assistance rendered in these seven cases. It should be pointed out here that the seven cases studied were not chosen on the basis of the degree of success involved, but were chosen simply because these were the only cases out of the 534 cases assisted by SMU about which relatively complete statistical data was available. At present, Texas has eight colleges and universities in addition to Southern Methodist participating in the S.T.S. Program. Statistics for the programs at those schools will be available at the first part of September when annual reports are compiled. We will be happy to provide this data when it becomes available.

In view of the tremendous potential of the program, I would prefer to see the S.T.S. Program funded at a more realistic level. A grant of \$190,000 per year is not a sufficiently large sum to even approach optimum use of the program's potential.

I am most anxious to see the State Technical Services Program continue. The literally billions of dollars spent during the last decade on research and development have created a valuable new national resource—a vast storehouse of new knowledge. We are trying to build in Texas an efficient organization capable of gaining access to this new resource and enabling Texans to participate in the full benefits of the research revolution. We believe that the S.T.S. Program has already demonstrated its capacity to accomplish this end.

Sincerely,

PRESTON SMITH,
Governor of Texas.

PROGRAM EVALUATION OF THE OFFICE OF
STATE TECHNICAL SERVICES

(Prepared for Department of Commerce, Office of Program Planning, by Arthur D. Little, Inc., Cambridge, Mass.)

I. INTRODUCTION

A. Background

1. The State Technical Services Program

The State Technical Services (STS) Program was created by Act of Congress in 1965¹ "to speed industrial and economic growth of the States and the country through an improved application of technical and scientific knowledge." The program was designed to achieve three objectives:

(1) Strengthening the nation's economy by upgrading industries through the utilization of advanced technology, thereby thoroughly expanding the industrial base;

(2) Increasing employment by facilitating industrial use of technology and the manufacturing of new products which result; and

(3) Enhancing the competitive position of U.S. products in world markets.

The emphasis of the proposed legislation is on State participation in technical services programs, planned locally, and designed specifically to place findings of science and tech-

nology in the hands of local businesses and industries.

Most funded activities in the program are carried out by designated state agencies under federal grants that provide matching funds for approved projects. The designated state agency prepares and submits to the Office of State Technical Services (OSTS) a five-year plan and an annual technical services program that has been certified by the state governor to be consistent with the policies and objectives of the state. These programs must, of course, follow the technical guidelines issued by OSTs and conform to the STS Act of 1965.

In most cases, these proposals have been funded with only minor revisions suggested by OSTs. Each state program, therefore, has been viewed by an evaluator as a small-scale experiment to demonstrate one or more approaches to technology transfer within a specific business and economic climate, despite the fact that the programs were not operated as experiments.

The STS program was reviewed by The Public Evaluation Committee appointed in accordance with the STS Act of 1965. This committee recommended to the Secretary of Commerce improvements in the STS program, and modifications to the State Technical Service Act.²

2. The transfer of technology

In our view, technology transfer means carrying specific technological know-how from a source to another point where it is applied. In many cases, the new applications may serve a completely different purpose than the one for which the technology was originally developed. Obviously, technology transfer is as old as civilization itself, and historically it has been accomplished almost routinely as an instrument of business enterprise. Nevertheless, it is difficult to assert with complete confidence how technology transfer can best be effected in this era of rapid technological change.

Furthermore, no satisfactory criteria have yet evolved for evaluating the economic effects of technology transfer activities. To be sure, there is overwhelming evidence of a direct causal link between technical progress and economic development, but establishing such a cause-and-effect relationship in a particular case is difficult. Moreover, technology transfer cannot be considered complete until the new technology, or a modification of it, is put into practice; this may well be a long and involved process, particularly if the technology is advanced. The barriers to technical transfer programs are not just technical in nature: factors like financial risk, politics, fear of change, legal restrictions, marketing problems, and sheer inertia may block completion of the transfer and thus weaken or negate its economic effect. In addition, technology transfer rarely occurs along logical directions which can be definitively planned in advance.

Technology is generally transferred by either supplying specific units of technology to potential users (information dissemination), or by identifying problems and then finding or adapting the technology that will solve them. In our usage then, both information services and problem-solving are approaches to technology transfer. The problem to be solved is most often seen as unique by the company experiencing it. Problem-solving activities cannot successfully be carried out without personal contacts in the field involving risks and responsibilities for both parties in these activities and motivated by personal rewards and recognition.

B. Purpose and scope

The Department of Commerce asked Arthur D. Little, Inc., (ADL) to appraise the value of public investment in the STS program and to supply evidence for assess-

ing whether the program—with or without modification—merits continued support. The scope of the evaluation has been stated in the Office of Program Planning's Request for Proposal of March 1969 and in the proposal that ADL submitted to that Office March 26, 1969 which stated that we would perform the following tasks by August 22, 1969:

1. Select samples of office of State Technical Services (OSTS) funded activities carried out by designated state agencies,

2. Design interview procedures and analyses that can be used to identify and quantify the economic and other benefits of an objective character that resulted from each project,

3. Determine the variables associated with high and low achievement of objectives,

4. Analyze the effectiveness of OSTs activities and establish cost benefits based on degree of industrialization, type of activity, type of technical dissemination, and type of client served,

5. Compare present OSTs activities with other existing technology transfer activities,

6. Formulate recommendation for improvements in the current program, assuming continuation of the existing level of funding,

7. Establish the appropriate level of funding for the program and determine whether the current program can be justified on solely economic grounds, and

8. Develop procedures, information requirements, and cost guidelines for continuing evaluation as an integral requirement of future OSTs projects supported by public funds.

C. Approach

On the basis of the understanding developed through our experiences with technology transfer, we established what information would be most valuable to those interested in the results of our evaluation. In the absence of formalized procedures within the STS program designed to generate the required data, we developed questionnaires, interview guidelines, and analytical procedures as the basis for a realistic and useful assessment of the program. (See Appendix)

We conducted a detailed evaluation of the program within nine states—Arkansas, Georgia, Illinois, Michigan, Oregon, South Carolina, Utah, Vermont, and Wisconsin. To obtain a varied and representative sample, we selected these states on the basis of the following factors: Geographic location, nature of industry, dynamics of industry, income distribution, program image, program content, and population factors.

When we began our evaluation, the states participating in the STS program formed a committee composed of a number of state program directors. They offered us their cooperation, which we accepted, with OPP concurrence, as a way of obtaining useful feedback on the information developed in our evaluation.

We asked each of the nine selected states to choose the ten most successful cases of technology transfer achieved by the program in that state. We defined a case as an interaction with a user organization about a specific and identifiable subject, such as a problem or need. While the states were selected for examination on the basis of the different factors listed, the cases within each state were selected for the greatest possible success, in the view of that state. We reasoned that detailed evaluation of a small number of the most successful cases would be the most easily measurable indicator of overall results achieved in a state. Random sampling of cases would be costly and perhaps misleading because the percentage of successful cases might in fact be small.

Footnotes at end of article.

With the assistance of the state program directors, we arranged to conduct detailed interviews with persons concerned with the selected cases. We sought detailed and verified information on who was helped in each case, in what way, and what the specific technical and economic effects were. In our interviews we obtained confidential information from the company and STS personnel involved, as well as university or other technical people who had played a role in the case or had been a direct witness to events.

Results obtained are summarized in Chapter III of this report, and presented in Appendix C.

We submitted questionnaires not only to the nine selected states but to all the participants in the STS program (See Appendix C). The questionnaires were designed to obtain information about program activities, response to the program funding, and administrative procedures. We interviewed representatives of the OSTs, Office of Field Services, Economic Development Administration, Federal Clearinghouse, and the Office of the Assistant Secretary for Science and Technology to obtain their views of the STS program and to inform ourselves about other related Department of Commerce activities. We also consulted with staff members in the Bureau of the Budget.

II. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

A. Summary

Our evaluation of the STS program shows it is providing a useful and economic service in transferring technology which substantially benefits the nation. The program can be made more effective and costs reduced by concentrating the federal and state investments in efforts and services which yield the most returns. We recommend that the STS program receive continued Federal and State support with increasing emphasis on direct service to industry.

Detailed conclusions and recommendations are supported and amplified in the following sections.

B. Conclusions

1. Federal Support Justification

The program should receive federal support because:

Risks of innovations necessary for industrial growth are spread across a large number of companies;

Increased tax returns are obtained from successful innovations which the program helped develop; and

Social benefits are an important product. A major block to innovation by small firms with limited technical resources is the high risk associated with the cost of technical assistance in solving problems.

A major contribution of the program to economic development is the distribution of the costs of high-risk innovation.

2. Program Benefits

The program is meeting its goals by providing technical services which result in both primary and secondary economic and other benefits to the nation.

In general, the program produces economic benefits which are greater than its cost, but the benefit-to-cost ratio can be improved.

We estimate that expected tax returns to federal, state, and local governments based on increased economic activity generated by the program will cover its cost.

Most of the successful cases interviewed produced significant secondary economic and social benefits in addition to primary benefits, such as increased sales and new jobs, and cost savings.

The program has been most helpful to small and medium sized firms which do not

have broad technical and research capabilities.

The program has provided useful technical services to firms who would not or could not pay for such services.

An important effect of the program is increased awareness by program users of external technical resources and how to apply them.

3. Program Content

Field services, including referral, are the most valuable part of the program. Information and educational services are secondary and discretionary activities.

In each year, a few successful cases will produce most of the benefits, while the majority of cases produce little or no benefit, which is typical of activities involving innovations.

It is not possible in most cases to predict whether a user will benefit from services.

Technology transfer was an important ingredient in almost all interviewed cases. The technology transferred was seen as new and valuable to the user, although it may have existed elsewhere for some time.

Problem-solving services provided under the program do not conflict with those available from other private or public sources.

Successful STS program personnel are aggressive risk-takers who are willing and able to make informed judgments on technical and business issues, and to commit resources in situations where a successful outcome cannot be predicted.

4. Areas for Program Improvement

Communications between states can be improved to facilitate more complete exploitation of useful results and techniques. The OSTs has a unique contribution to make in such communication.

The program only partially benefits from other Department of Commerce activities which are directed to stimulating the growth of the economy.

C. Recommendations

The information we have obtained and the conclusions drawn from them have led us to make the following recommendations:

1. The program should be retained and federal support continued.

2. Problem-solving services to industry which do not participate in federally-sponsored R&D programs because of small size or nature of industry should be the central activity of the program.

3. Field services which are oriented towards problem-solving should receive increasing emphasis through increased budgets and more personnel.

4. Education, information services, and demonstrations should be de-emphasized and only used as discretionary activities in support of need-oriented field services.

5. Federal funding levels should be increased gradually in a manner which permits new personnel to be adequately trained.

6. The funding formula for the states should be revised and expanded to take into account need factors, as well as performance.

7. The OSTs should design and institute a management information system to provide continuing evaluation of program effectiveness and direction, particularly with respect to economic effects and benefits.

8. The OSTs should play a stronger role in defining and guiding program activities and methods, including program evaluation.

9. The Department of Commerce should establish regional offices for improved communication and coordination of activities between the states.

10. Organizational and geographical location of STS field offices should be reviewed in the light of increased emphasis on field services.

11. The state directors should have more flexibility in the use of funds.

12. The Department of Commerce should review other activities (such as documentation, information, and educational services) which parallel the services of STS to eliminate duplication and promote increased working cooperation.

13. The Department of Commerce should continue to obtain interview-based case histories and comparative economic studies to determine the economic benefits resulting from industrial innovations and how to maximize them through technology transfer programs.

III. RESULTS OF EVALUATION

The method of evaluation used interviews and questionnaires for fact-finding. The variable and complex nature of the STS activities did not permit us to come to any *a priori* conclusions, but rather, required a concerted effort to establish economic effects in the different states. The information obtained was reviewed and analyzed in terms of economic effects. We used statistical methods (based on the results obtained in the interviews) to project economic effects to an entire state program, and to the 50 state programs.

A. Selected cases

We placed the greatest emphasis on factual material obtained through direct interviews. Memoranda concerning each interview were prepared (as many as seven or eight interviews were held concerning any given case) and three of the most successful cases are summarized below.

1. Vermont Case No. 1

Federal and state water pollution legislation forced cheese manufacturers to discontinue dumping whey into Vermont rivers and streams as of January 1, 1969. When the STS director in Vermont learned of the potential impact of the legislation which would have resulted in bankruptcy or closing down for some cheese producers and curtailed operations for others, he funded a small study at the University of Vermont on the feasibility of converting the liquid whey into a dried, edible product. The results of the study were favorable, and, with these findings, he was able to:

Attract a major food processor into the state who possessed the required technology to operate the drying plant,

Organize the 18 cheese manufacturers into a cooperative group that agreed to supply whey,

Arrange \$2 million in federal grants and loans to the project, and

Provide leadership, direction, and coordination to the project.

Aspects of annual economic effects include:

54 new direct jobs created at the whey plant, with an annual payroll of \$464,800 based on sales of \$1,440,000 of dried food grade whey per year,

51 jobs saved at 4 cheese plants which would otherwise close down (payroll \$225,000),

28 new jobs created by increase in cheese production—payroll \$395,000,

\$454,800 in new federal, state, and local tax revenue generated,² and

119 new jobs in secondary employment.

Most of the primary and secondary employment will occur in Franklin county, an area with serious unemployment problems.

No estimate has been made of the economic or other benefits from removing the pollution from Vermont rivers and streams.

However, the cost of a sewage disposal plant which would have been required to process the whey is about \$30 million, plus about \$400,000 per year for operating cost.

Footnotes at end of article.

2. Georgia Case No. 2

A firm which bottles soft drinks and preserves decided to switch to plastic bottles for its soft drink line, believing that the plastic bottles would be cheaper, safer, and more appealing to the consumer. However, after production had begun, the bottles began to leak.

The firm tried various remedies, none of which worked. It appealed to the plastic manufacturers, the container companies, and group after group of engineers, but to no avail. Finally, it contacted the Georgia STS group. Because of the agricultural nature of the product line, a delegation from the University of Georgia was sent to investigate the problem, but it was unable to solve it. A second contract was arranged by the Georgia STS with the Industrial Development Division (IDD) at Georgia Tech. A field engineer was sent and he redesigned the bottle closure, thus solving the leakage problem.

The solution of this problem enabled the firm not only to expand its production and sales of soft drinks because of increased consumer acceptance, but also to increase its area of distribution due to lower freight costs on the lightweight plastic containers. The differential in sales from the use of plastic rather than glass bottles amounted to an estimated \$1,000,000 in the first year.

In addition, the plastic bottle supplier in Ohio, which has agreed to manufacture the new design, has received a firm \$140,000 order for the bottles. As a result of this order, it plans to establish a new plant in the Atlanta area that represents an investment of \$200,000.

Before success had been demonstrated, the manufacturer stated that a small firm like his cannot afford to use consultants when results are not assured. Now he has modified his stand and signed a contract for \$15,000 for further development work at Georgia Tech.

3. Arkansas Case No. 3

This case involves service to the developer of an automatic catfish feeder. Catfish raising in artificial lakes has become an important business in Arkansas. Until recently, the fish have been fed by distributing meal or pellets by hand, a time-consuming and expensive process. The subject of this case, a successful catfish farmer, invented an automatic blower type feeder which can be mounted on a tractor. If the tractor is driven slowly along the

bank, the feeder spreads an even, economical distribution of feed out to the fish. It saves labor, conserves feed, and reduces overcrowding and nonuniformity of fish size.

The inventor had produced a hand-made working model, but needed help to commercialize the feeder. The STS field agent studied the situation and recommended that he develop reliable production cost data on the device, and also optimize its design on the basis of available information on how catfish should be fed. The agent then developed the needed cost information, as well as the marketing requirements and design specifications. He tested and calibrated the finished device and worked out operating specifications. Finally, he helped the inventor to find a suitable manufacturer in Pine Bluff and then set up an equitable agreement between the inventor and the manufacturing firm.

The inventor estimates that, over five years, machines will be used on 100,000 acres of catfish farms at one machine per 50 acres. He expects to capture 40% of the market and sell 800 machines at a selling price of \$1,000 each, or total sales of \$800,000.

The services provided by STS were crucial to the commercial development of the catfish feeder. The inventor had little sophistication or previous experience that would allow him to make needed decisions and develop necessary information for the development of the feeder. He did not have the money to hire a professional consultant and believed that a small businessman, like himself, was safer dealing with a state organization than with private consultants or manufacturers.

B. The STS contribution factor

In analyzing the interview material, only claims that we could substantiate were accepted and minimum figures were used when in doubt about the economic effects of the STS program. The "STS Contribution Factor" represents our judgment of the importance of the contribution of STS services to improvements achieved by a company in its operation. In no case did we assume that an STS contribution was the only crucial factor in a company's performance, even if it did have a major effect. Company performance depends not only on the STS contribution but also on many other factors—not the least of which is the contribution of the company's own personnel.

The size of the STS Contribution Factor which we assigned in a given case depends on whether the services performed were pas-

sive or active. Table 1 identifies typical services and indicates the relative size of the factor associated with these services. The magnitude of the STS Contribution Factor was determined by discussing the case with the interviewer and applying the judgment of several senior ADL staff members.

C. Economic effects

Table 2 summarizes interview results in the nine sample states, and presents the positive economic effects that the STS service had on individual companies. The major business features of these companies are listed in Table 3 (arranged by magnitude of economic effects as shown in Figure 1). The economic effects fall into the general categories of sales, savings (in costs or jobs), loss prevention and investments. To compare the different cases and to make projections, we expressed the economic effects in dollars of sales, using the averaged conversion figures appropriate to the different categories and industries prepared by *Fortune* magazine.⁴ The useful lifetime effects were discounted by applying the appropriate STS contribution factor. The useful lifetime for a case was assumed to be the average lifetime of a product in the business area applicable to the case. Table 4 shows our estimates of these useful lifetimes. The useful lifetime effect in several cases was larger than a straight line estimate would have indicated.

TABLE 1.—Examples of STS contribution factor (Arranged in increasing order)

[STS contribution factor, in percent]

Type of service:

Providing the name of a specialist; sending general or background literature; referral to specific information or specialized information service.....	0 to 25
Participation in combined diagnosis and planning activity; preparing detailed plan for use of solution; convincing or selling client on need for a particular change and facilitating change; coping with strong resistance from one or more places	25 to 50
Inventing, devising or developing solution to client's problem; providing leadership, taking responsibility and demonstrating solution	50 to 75

Footnotes at end of article.

TABLE 2.—ECONOMIC EFFECTS FOR INTERVIEWED CASES
[Dollars in thousands]

Sample State and case number	Type of effect	1st year effect	Estimated useful lifetime (years)	Estimated useful lifetime effects	STS contribution factor (percent)	Discounted STS useful lifetime effect	Sample State and case number	Type of effect	1st year effect	Estimated useful lifetime (years)	Estimated useful lifetime effects	STS contribution factor (percent)	Discounted STS useful lifetime effect
Arkansas:							South Carolina:						
1.....	Sales.....	\$400.0	5	\$7,800.0	15	\$1,170	1.....	Sales.....	\$250.0	4	\$1,000.0	30	\$300
2.....	do.....	430.0	5	2,150.0	20	430	2.....	Savings.....	5.0	3	15.0	30	5
3.....	do.....	3.0	5	800.0	25	200	3.....	Sales.....	1,300.0	4	5,200.0	30	1,560
4.....	do.....	90.0	3	2,850.0	10	285	Utah:						
Georgia:							1.....	Savings.....	10.0	2	35.0	50	18
1.....	Savings.....	145.0	5	835.0	10	84	2.....	Sales.....	25.0	2	50.0	10	5
2.....	Sales.....	1,000.0	4	4,000.0	10	400	3.....	Savings.....	.3	1	.3	50
3.....	do.....	140.0	4	560.0	5	28	3.....	do.....	3.5	1	3.5	5
Illinois: 1.....	Savings.....	650.0	11	1,650.0	100	650	3.....	Sales.....	100.0	3	300.0	10	30
Michigan:							Vermont:						
1.....	Loss Previous.	10.0	1	10.0	60	6	1.....	do.....	1,440.0	5	7,200.0	20	1,440
2.....	Sales.....	1,000.0	4	4,000.0	20	800	5.....	do.....	255.0	5	1,275.0	40	510
3.....	do.....	200.0	4	800.0	5	40	do.....	140.0	4	560.0	40	224	
3.....	Savings.....	4.0	4	14.0	10	2	2.....	Savings.....	6.0	6	36.0	30	11
Oregon:							2.....	Loss previously.	7.0	1	7.0	30	2
1.....	Sales.....	40.0	2	80.0	5	4	Wisconsin:						
2.....	Loss Previous.	12.0	1	12.0	30	4	1.....	Savings.....	25.0	5	125.0	5	6
3.....	do.....	7.0	1	7.0	10	1	2.....	Sales.....	2,500.0	1	2,500.0	1	25
4.....	Savings.....	4.0	6	25.0	50	13	3.....	Savings.....	1,000.0	1	1,000.0	1	10
							4.....	do.....	350.0	1	350.0	5	18

⁴ Since continuing costs occur along with continuing effects, effects are measured on annual basis only.

TABLE 3.—FIRMS INTERVIEWED

[Dollar amounts in millions]

Code	Type of company	Annual gross sales	Code	Type of company	Annual gross sales
Arkansas No. 1	Feed mill	\$1.5	Oregon No. 4	Oregon coast fisherman	(1)
Arkansas No. 2	do	6.6	South Carolina No. 1	Iron and steel company	\$8.0
Arkansas No. 3	Private inventor	(1)	South Carolina No. 2	Canvas products	3.0
Arkansas No. 4	Laser grading equipment	1.4	South Carolina No. 3	Synthetic yarns	7.5
Georgia No. 1	Brick manufacturer (28 employees)	3.0	Utah No. 1	Wig manufacturer	.3
Georgia No. 2	Food processing and packaging	(2)	Utah No. 2	Patient monitoring equipment, fluidic systems, machine parts	.415
Georgia No. 3	Container manufacturer	(1)	Utah No. 3	Optical instruments (small company)	(2)
Illinois No. 1	Computer services to construction industry	(1)	Vermont No. 1	Whey drying plant	(1)
Michigan No. 1	Building system supplier	1.0	Vermont No. 2	Drilling, structural steel products	4.8
Michigan No. 2	Instrument manufacturers	1.0	Wisconsin No. 1	Rubber	1.5
Michigan No. 3	Power transmission equipment	.6	Wisconsin No. 2	Stainless steel	2.8
Oregon No. 1	Individual fisherman	(1)	Wisconsin No. 3	Industrial products	375.0
Oregon No. 2	do	(1)	Wisconsin No. 4	Electronics manufacturers	100.0
Oregon No. 3	do	(1)			

1 Not applicable.

2 Not available.

Figure 1 presents the economic effects arranged by magnitude of the cases. The type of service rendered by STS is also indicated. A small number of successful cases account for the largest economic effects, with field services being the dominant STS activity. In the nine sample states, we found that successful cases were only a small percentage of the total number of cases. Modifications in program operation or funding can be expected to influence the number of successful cases, although the general distribution pattern is likely to remain the same; this is indicative of high risk innovative activities.

We designed a statistical projection procedure (See Appendix B) for extrapolating the results of interviews in the nine sample states to obtain: 1) the aggregate economic effect for the first year in which such an effect was obtained; and 2) estimates of the aggregate economic effect for the lifetime of a case. The statistical procedure was based on a log-normal distribution function which has been used to predict similar events (See Figure 2). This distribution provides minimum projections for economic effects.

Table 5 summarizes the first year and lifetime economic effects extrapolated from the interviewed cases to the individual sample states for comparison and evaluation. The table also shows the combined federal and state budgets and the federal budgets for 1969.

Figure 3 shows that the ratio of program expenditures to economic effects (lines 1 and 2) for the successful cases (which made up the bulk of economic effects generated by the program in the sample states) is far larger than the ratio of overall costs to economic effects (lines 3 and 4) in the same states. Because there is no way of predicting where field services will have the most significant effects, activities have to be spread over many cases requiring a proportionally larger expenditure.

TABLE 4.—Examples of useful lifetime estimates

Consumer products:	Years
Basic foods	4
Clothing, fabrics	2
Packaging and containers	2
Cosmetics	1
Toys, novelties	1
Industrial products:	
Structural steel	6
Heavy machinery	5
Chemicals	4
Building materials	3
Electronics	2
Instruments	2
Services:	
Insurance	6
Computer services	3

TABLE 5.—ECONOMIC EFFECTS IN SAMPLE STATES
[In thousands of dollars]

	First-year State aggregate	Useful lifetime aggregate	Total 1969 budget	1969 Federal budget
Arkansas	294	2,838	153	70
Georgia	620	4,457	214	107
Illinois	1,625	1,625	753	200
Michigan	522	1,628	393	197
Oregon	234	619	138	69
South Carolina	631	2,477	154	77
Utah	233	785	165	59
Vermont	1,264	3,814	153	66
Wisconsin	1,279	1,513	198	97
Total	6,702	19,756	2,321	942

The ratio of the entire STS program budget (\$10,878,000) to the nine-state budget (\$2,321,000) is 4.7. Using this ratio, the entire program one-year aggregate economic effect would be projected as \$31,412,000 and the useful lifetime aggregate economic effect would be \$92,596,000.

These projections are useful in a gross sense only. Our interviews in the nine sample states showed wide variation in techniques and procedures, and we have no reason to expect uniformity in the other states. Therefore, we feel that more accurate estimates of results in any state must be based on interviews in that state.

Our evaluation explored some new ground in the assessment of activities designed to produce economic effects. We believe that the results are useful as a guide for the evaluation of programs such as the STS when no program results are available. Many of the approximations we used out of necessity can be refined to greater accuracy in the future and a system designed to collect appropriate data.

IV. IMPLICATIONS OF THE EVALUATION FOR THE STS PROGRAM

A. Benefits of the STS program

In discussing results obtained through STS participation,⁶ we have distinguished between effects and benefits. An economic effect is a change in economic activity, i.e., sales of goods and services, including labor, real property, barter, trade, loans and investment, stocks and bonds, personal and professional services, entertainment, taxes, and government expenditure.

An increase in one region that is a result of a decrease in another region is considered a net effect (i.e., losses cancel gains). Economic effects are usually directly observable and readily quantifiable.

Footnotes at end of article.

An economic benefit is a positive net effect upon the society at large expressed within the intent of the State Technical Services Act in terms of Gross National Product, employment, and increased competitiveness of U.S. products. In addition, we believe that upgrading of products, services, labor, wages, and environment are examples of other benefits. "Almost without exception, technological developments will affect some people or interests adversely and others beneficially, and there simply is no agreed-upon algebra by which one can neatly subtract the pains from the pleasures in order to arrive at a net index of social desirability.⁶

"Innovation is the keystone of a strong economy and incentives for innovation are justified by the broad social benefits engendered by technological progress. This position has long been supported by economic theory, and, recently, by empirical evidence. Indeed, research by Joseph Schumpeter supports the fundamental conclusion that entrepreneurial innovation is the wellspring of economic growth."⁷ Modern econometric studies indicate that more than 80% of the growth in output (GNP) in the United States from 1909 to 1949 must be attributed to innovation and efficiency.^{8,9}

Benefits may be primary; that is, direct and immediate consequences of action taken or they may be secondary, indirect, and not an immediate consequence. Both primary and secondary benefits must usually be inferred, rather than observed. Secondary economic benefits might include the following:

Increasing the general competitiveness of American industry.

Economic development of regions, Improving the level of technology and increasing the efficiency of American industry, and

Improving or increasing application of scientific or technical knowledge and procedures.

The cases examined in our study varied in the degree of innovation involved. While the primary economic effect may not be a direct function of innovation, the secondary benefits appear to increase as innovation increases. Thus, in South Carolina Case No. 1, where the STS provided an industrial engineering analysis of a structural steel production facility, little or no innovation occurred, and benefits are probably rather narrowly confined. On the other hand, in terms of changing the way people do things, the innovative impact of Vermont Case No. 1, where a whey-drying plant is under construction in Franklin county, is quite large and the secondary benefits (e.g., secondary equipment, removal of pollution, probable increase in tourism, and economic development of a poverty area) are very significant.

1. Economic Benefits

The increased sales received by companies as a result of STS program services may be regarded from a national or social point of view as related (through the portion of the increase in sales which represents an increase in value added)¹⁰ to the GNP. From a social point of view, an increment to GNP is the most widely used accounting measure of the merit of an economic activity and is used as one of the performance criteria as we have interpreted the State Technical Services Act. Other criteria, such as increased employment and enhancement of the competitive position of U.S. industry, while desirable, are not readily measurable in the cases examined. To

TABLE 6.—RATIO VALUE ADDED TO VALUE OF SHIPMENTS

State	Value added by manufacturer	Value of shipments	Ratio VA/VS
Arkansas.....	1,568	3,827	0.410
Georgia.....	5,034	11,876	.424
Illinois.....	20,045	41,843	.479
Michigan.....	17,297	39,407	.439
Oregon.....	1,961	4,451	.441
South Carolina.....	3,035	6,456	.470
Utah.....	750	1,665	.450
Vermont.....	486	1,101	.441
Wisconsin.....	7,062	15,811	.447

Note: 1967 Census of Manufacturers: General Statistics for Geographic Divisions and States, U.S. Dept. of Commerce.

produce the estimate of the increase in GNP, the increase in sales was multiplied by the ratio of value added to value of shipments.

Evaluating a case in terms of its contribution to gross national or state product also permits generalization as to the increase in federal, state, and local revenues likely to be produced by the increase in GNP. In 1968, approximately 14.5% of the GNP of the United States was received as net tax payments by the federal government. Contributions to social insurance (transfer payments) have been excluded from government receipts. In addition, state and local government receipts are net of federal grants. State and local government receipts constituted 9% of GNP in 1968. Thus, insofar as the increased value product of the sample companies is typical of their respective states, the enlarged activities within the nine states in which interviews were conducted may be expected to generate approximately \$1,254,000 in federal government tax receipts, and \$783,000 in state and local government tax receipts.¹¹ (See Table 7.)

Rough estimates of the additional employment provided in the nine sample states can also be inferred from overall GNP aggregate for 1968. In that year, the value of GNP per employed member of the labor force was about \$11,200.¹² This dollar amount of GNP per worker applied to the additional sales recorded for the sample states indicates that

(if the successful companies are typical of the nation as a whole in this one respect) about 600 additional jobs may have been created as a result of their enlarged activities. Table 8 shows the increased employment calculated from the increase in value added in each state.

In very few instances the program provided services which contributed to increased economic activity in one area that were reflected in a decrease in another area (e.g., location of an electronics company to utilize STS information services in one state rather than in a neighboring state which did not concentrate their program effort in these activities). Such application of STS services, while in accordance with the STS act, contribute only marginally to the nation's economic development. They can be avoided in the future by instructing field agents to concentrate their efforts on activities which assist industry to introduce innovations in terms of new products, processes, and services and new business activities. The difference between economic benefits produced by a new venture as opposed to a relocated one or one which is made more competitive is, of course, a matter of degree. Continuing evaluation of the STS program should permit deliberate guidance of program services by crediting economic benefits to the STS program which are not just displaced from one location to another.

TABLE 7.—FEDERAL GOVERNMENT RECEIPTS

[In thousands of dollars]

State	Increase in sales, useful lifetime state aggregate	Corresponding net contribution to gross national product ¹	Federal receipts at 14.5 percent	STS Federal budget 1969	State and local receipts at 9 percent	STS 1969 State budget	Total receipts	Total 1969 budget
Arkansas.....	\$2,838	\$1,164	\$169	\$70	\$105	\$83	\$274	\$153
Georgia.....	4,457	1,890	274	107	170	107	444	214
Illinois.....	1,625	778	113	200	70	533	183	753
Michigan.....	1,628	715	104	197	64	197	168	394
Oregon.....	619	273	40	69	25	69	65	138
South Carolina.....	2,476	1,164	169	77	105	77	274	154
Utah.....	785	353	51	59	32	106	83	165
Vermont.....	3,814	1,682	236	66	151	87	387	153
Wisconsin.....	1,513	676	98	97	61	101	159	198
Aggregate States.....	19,755	8,695	1,254	942	783	1,380	2,037	2,322

¹ Obtained by multiplying column 1 by VA/VS from table 6.

Note: 1969 total budget for all programs: \$10,878,000.

TABLE 8.—EMPLOYMENT EQUIVALENT OF GROSS NATIONAL PRODUCT INCREASE

[Dollars in thousands]

State	Increase in sales useful lifetime State aggregate	Less ¹ savings	Increase in sales only	Increase in GNP	Primary employment equivalent (Number of jobs)
Arkansas.....	\$2,838	0	\$2,838	\$1,164	104
Georgia.....	4,457	\$1,246	3,211	1,361	122
Illinois.....	1,625	1,421	204	98	9
Michigan.....	1,628	115	1,513	664	59
Oregon.....	619	531	88	39	3
South Carolina.....	2,476	106	2,370	1,114	99
Utah.....	785	431	354	159	14
Vermont.....	3,814	196	3,618	1,596	143
Wisconsin.....	1,513	661	852	381	34
Total.....	19,755	4,707	15,048	6,576	587

¹ Total savings is a mixture of savings from the reduction of various factors of production including labor. In order to produce a deliberately conservative estimate of net primary employment created by the increase in value added, all savings were subtracted from it. This is probably overly conservative in that whatever labor was saved would be unlikely to remain long unemployed.

Sources: "The Economic Report of the President," January 1969, and Arthur D. Little, Inc., estimates.

2. Secondary Benefits

In addition to measurable economic benefits, projects may have secondary noneconomic benefits that can be identified but not quantified. These secondary benefits must be considered in any evaluation of a program.

In many of the cases studied among the smaller and technically less sophisticated user firms, learning the techniques and resources of technical problem-solving was an important secondary benefit. Some of the

users, as a consequence of receiving help, started efforts to solve other problems facing them by searching out information sources, consultants, etc. Table 9 presents typical secondary benefits we found to be produced by STS program activities.

Benefits like those shown in Table 9 can be an important gain for society. For example, in Vermont Case No. 1, reducing pollution and producing an edible protein food supplement are both socially and economically desirable. Program services should be designed to support activities expected to result in such benefits. The success of the

program should be gauged not only by its economic consequences but also by its contribution to the public good in ways that are not necessarily reducible to economic benefits.

B. Public support for program

A major question that has been raised about the STS program is: If the program is successful, why should the federal government (rather than the states or industry within the states) support the program? The answer to this question is, of course, intimately tied to the benefits that result from the program. Unlike the programs of state development commissions, the STS program is concerned more with creating new activities that will produce benefits for society as a whole than with displacing an activity from one place to another or improving the competitive position of a particular company or segment of industry.

TABLE 9.—Typical secondary benefits of the STS program

PROGRAM
Vermont #1: Reduction of pollution in Vermont rivers and streams. Potentially increased tourism.
Illinois #1: Increased efficiency in construction industry. Use of Illinois-developed computer program in other states.
Arkansas #3: Availability of more efficient fish-feeding methods. Awareness of business procedures and product development techniques by private developer.

Footnotes at end of article.

Oregon #4: Organization of fishermen into group for sharing information and pooling resources.

Georgia #1: Improved knowledge of available techniques in brick manufacturing.

Georgia #2: Awareness of a variety of problem-solving services and resources.

Utah #1: Awareness of wide range of low-cost replacement materials.

In a number of states, the development department is the designated agency and might tend to emphasize these displacement effects, which are generally easier to produce, rather than innovative activities. With an STS program carried out on a national scale with federal support and guidance, there is better chance to produce benefits for an entire region or the nation as a whole. The federal government can assess the desirability of social benefits and provide incentives for industry to engage in activities which can lead to such benefits. If these activities are left to the states, each state government would emphasize its own political and economic objectives and each state program could be a success with the sum of such "benefits" for the nation equal to zero.

Most small firms are not in a good position to absorb the costs and incur the risks involved in technology transfer. To be sure, private consultants play an important role in disseminating the benefits of new technology to American business; however, many firms have never received problem-solving assistance from an outside source and are reluctant to do so because they cannot afford a single failure in an activity where failures outnumber successes by something like ten to one. These firms often attempt to innovate, but have neither the technical staff to follow through internally or the financial resources to absorb failures. The STS program can afford a reasonable number of failures. If the successful projects produce sufficient primary economic benefits to generate tax returns equivalent to the total program budget, as we have shown they do in some states. These small but innovative firms are perhaps the ones that most need such assistance. For them, the STS program serves as a form of insurance, or risk distribution. Because they are free to the user, the STS services may well encourage these firms to attempt innovations they would not try otherwise.

Federal funds for research and development serve as a springboard for new products and processes for many large firms. The STS programs give firms that have not received such federal R&D funds an opportunity to develop new and improved products and processes. There is some evidence to show that many smaller firms are willing and able innovators, but without participation in federal R&D programs or some other form of technical assistance, they can rarely afford or attract the technical staff needed for complex development.

C. The relationship of the STS program to other programs

Several current programs of the Department of Commerce and other government agencies provide services that relate to the STS program.

We found that the cooperation between STS and other various programs—particularly with the Economic Development Administration (EDA) and Office of Field Services—depends on the initiative of local personnel. For example, in Pennsylvania the STS program has very close relationships with the Office of Field Services in Philadelphia, but no contacts with the office in Pittsburgh.

Apparently, there is no overall policy for coordinating the various program components of the field offices of STS, EDA, and Office of Field Services in order to achieve their common objectives. The major difference appears to be that the STS program is sup-

ported by federal grants, state funds, and to a limited extent, private funds, while EDA and Office of Field Services are funded and staffed by the Department of Commerce.

Several of the EDA and Office of Field Services staff members we interviewed felt that the activities of the STS program could be absorbed by their programs. However, further discussion showed that EDA and Office of Field Services activities do not parallel the most important activities of the STS program, i.e., direct services that provide problem-solving assistance to industry, primarily on a technical level. The Office of Field Services as the direct representative of the Department of Commerce, makes available the resources and services of the Department and answers technical inquiries with information from the Federal Clearinghouse or Patent Office.

The Office of Field Services estimates that a typical staff member spends 40% of his time in field contacts with industry, whereas the STS field agent spends about 60% of his time in field contact and the more successful his efforts, in general, the more time he spends in direct contact with users. The Technical Assistance Program of EDA is concerned more with planning and programming sizable development projects than with the type of problem-solving carried out by STS. Moreover, in the EDA program technical assistance funds go directly to the applicant (although a maximum nonfederal contribution in cash or kind is sought for each project, so that the federal share does not ordinarily exceed 75%). The ratio of shared expenditure in the STS program is unique among the federal government's current technology transfer activities.

A number of other federal agencies have responsibilities in the area of technology transfer. These include the National Aeronautics and Space Administration (NASA), the Atomic Energy Commission (AEC), the Department of Agriculture (USDA), and the National Science Foundation (NSF). The first two seek to make technology available to industrial users through publications, information services, and industrial cooperation programs. USDA activity is aimed at serving agriculture. In addition to literature and information services, USDA emphasizes local field offices. The NSF is indirectly involved in technology transfer through its concern with improving scientific information systems. It performs research on the communication of scientific information.

D. Program funding

Since measurements of the program's economic benefits are only now emerging, estimates of optimum funding levels have not been possible in the past. Therefore, overall funding levels for the program have tended to reflect availability of money. The formula for distribution to the states does take into account some need factors, such as population size and degree of industrial development.

The overall program federal funding level¹³ reached in the last full year of operation appears to be sufficient to maintain the momentum of the program. However, there are many more potential users than there are resources to reach them. Because the federal budget could be substantially increased without reducing the ratio of benefits to expenditures, increases should be gradual to insure the efficient training and integration of new personnel in an operation where personal relationships are important. (ADL experience with new staff members suggests that 15% growth per year is a reasonable figure).

The formula used to allocate funds should be revised so that the federal government is better able to support economic development

programs in specific regions, assist localities with large numbers of disadvantaged, and provide the states with incentive for achieving state program objectives. This will require the establishment of uniform criteria for measuring program effectiveness along the lines used in this evaluation.

Once such criteria have been established, the various state programs can be compared to determine which ones deserve continued support and which ones should be discontinued. The proposed regional offices would then have a basis for suggesting remedial measures and changes in program organization or content. The criteria would also place OSTs in a better position to review proposals and funding requests. Additional funds can then be allocated to those states which follow suggestions for improving their programs. The fact that the states themselves have been increasing their matching funds (two-thirds of the states increased their contributions in 1968) indicates some degree of state satisfaction with the program's economic and other contributions.

It is often difficult to determine precisely how much a particular state spends on the program. One reason is that some states obtain funds from private sources (e.g., Illinois obtained \$553,000 in one year from such sources). Moreover, some states (e.g., Arkansas) pool STS funds with funds from other programs, such as EDA.

E. Program activities

Within the meaning of the Act of 1965, STS program activities can be classified as either information services, educational services, referral services, field services, or demonstrations. All of these activities are potentially useful aspects of technology transfer; however, as we have shown, direct field services which participate in problem-solving are most effective.

Information services are, of course, invaluable for disseminating technology, particularly to companies that lack know-how or a market position in a specific area of technology and do not have ready access to an information center where the information they require can be obtained. However, STS information services should not be considered ends in themselves as we often found. Their primary purpose should be to serve as back up and support to the problem-solving activities of the field agent. In this way, the entire program can benefit from the accelerated development of integrated comprehensive information systems¹⁴ expected in the coming years, particularly, the planned build-up of computerized federal systems.¹⁵ For example, more regional information centers that draw upon the federal data base could be set up; these centers could supply information rapidly and at low cost, interpret it for the user, and support the field agents problem-solving activities as needed.¹⁶ And (because of their access to federal data) the centers would not have to spend time and money establishing and cataloging information systems on the state or regional level. Moreover, since information services by themselves are not unique to the STS program, they should be coordinated with activities of other agencies whose primary function is to supply information. As far as the STS is concerned information should be treated as just one of many available resources the field agent or problem solver may choose to employ.

Educational services accounted for over 25% of the total program expenditures in 1968. (See Table 10). The effect of these services is difficult to evaluate by any accepted indices of economic activity. Like all well-run educational services, they are of value, and the seminars and courses arranged by the program have enjoyed considerable popularity and acceptance by industry. On a practical level, they have been used to aid in marketing of field services,

Footnotes at end of article.

uncovering of problems, and as public relations activities in support of the program and the associated universities. They may also be useful start-up activities in a state with a new program.

TABLE 10.—Federal STS support by activity, 1968

Administration	\$498,291
Education services.....	1,260,645
Information dissemination services	1,148,386
Subtotal	2,409,031
Referral services.....	403,045
Field services.....	984,037
Subtotal	1,387,082
Demonstrations	158,604
Total	4,453,008

Source: U.S. Department of Commerce.

Nevertheless, educational services do not appear to be essential to the program's objectives. Although fees can be charged for some of them, the administration and organization of seminars and courses does require considerable program effort. The STS program, therefore, could well de-emphasize—without completely eliminating—these services.

One way to do this is make the program a focal point for industry's educational needs in a given area and to encourage state universities, private institutions, and professional societies to respond to these needs. For example, rather than conducting short courses on computer methods, critical path methods, or technological innovations, the state services could direct interested parties to the almost identical courses that many institutions of higher learning are now sponsoring. Conversely, such institutions could make their special capabilities known to the STS so that industry can be informed of opportunities for obtaining useful scientific and technical knowledge.

Thus, STS could serve as a bridge between industry and universities. To do this, the STS program must encourage universities to view industry as a potential market for their workshops, seminars, short courses, and conferences and offer to publicize such educational programs.

Demonstrations of new technology carried out under the auspices of the STS program may have had some local significance, although none appeared in the interview material. Nevertheless, some projects, particularly of a vocational training nature, could be carried out by state schools. Here again, STS would serve as an intermediary rather than underwriting the cost of such projects.

Within the program there has been growing recognition that person-to-person contacts are the most effective method of technology transfer. As a result, expenditures for field services have been increasing (See Figure 4). A comparison of expenditures shows that for 1968 the total expenditure for educational and information services exceeded the amount expended on field services (including referrals) by about 70%. (See Table 10). A further reduction in expenditures for educational services is projected for 1969, with information services being kept at the same level.

As the results indicate, services that require active participation, such as problem-solving, innovation and entrepreneurship, are more likely to produce measurable effects. Educational and information services, on the other hand, may increase industry awareness of the program, but their economic effects tend to be indirect and difficult to evaluate; moreover, these "less active" activities often seem

to duplicate other services provided by the Department of Commerce and other government agencies.

We, therefore, recommend increased emphasis on field service work, with educational, information, and demonstration services playing decreasing and secondary roles in support of field services. The proper balance between these activities should be influenced by economic considerations of the kind used in this report and should be integrated into the program decision-making process. For example, the program services can be directed to those problems where secondary benefits are likely to result.

We have not attempted to evaluate precisely where and how the federal technology transfer programs overlap. There appears to be considerable room for greater coordination and cooperation among the various programs. Since nearly all government departments can affect technology transfer to industry, and since one department may be in conflict with another, collaborative policy-making could greatly strengthen the various activities now directed towards that objective.

F. Program organization

The current organizational structure of the program is a result of funding methods for the program, the considerable variation between state programs, and the limited operational experience and evaluation of the program. The funding methods are somewhat analogous to those used by grant-giving federal agencies to support R&D in industry or academic institutions. As a result, each state exercises a great deal of control over how its program will be conducted, what methods will be employed, and what the emphasis of the program will be. Consequently, the OSTs has played a limited role in program management.

Because each one is somewhat unique, the state programs can be viewed by us as a series of natural experiments in technology transfer—experiments which have been carried out along dissimilar lines and which have produced diverse results. In a sense, the variable nature of the state program is a virtue because a set of rules governing technology transfer has yet to be established. However, greater control over program content by OSTs might produce more effective technology transfer now that we have had some opportunity to evaluate results. Such control will become more and more necessary as it becomes apparent that certain programs result in greater economic benefit and more effective use of funds than others do.

Our contacts with the states have shown that improving communication at every level of the program could greatly aid the program effectiveness. For example, one state has designed a management information system in order to decide what actions should be taken in the program, while a neighboring state is in need of such an information system to guide its program actions. In another instance, the problem-solving activity for an industry sector in one state was very similar to activities carried out in another state, but no information passed between the states to help them carry out these activities. The states have no direct incentive to share information. The communication of useful results and techniques in one state to points of application in the others may be a uniquely federal function. But because the OSTs field directors have to interface with a large number of state directors (a ratio of 1:10), they have had little time to work individually with them.

The need for better communication has been recognized, and a number of meetings and conferences to remedy the situation have been held. Still other remedies can be suggested.

The states can be organized into regions that coincide with regions set up for other

federal government programs. This regionalization has already begun and its usefulness is being recognized. (Three formal regional programs involved one-third of the states in 1968). The end result should be regional offices that serve as communication points for both the states and the OSTs.

One method by which regionalization could be achieved would be to set up regional offices as part of the offices of the ten STS program directors who are members of the *ad hoc* committee representing the states participating in the STS program. Each office could serve about five neighboring states as a communication point between these states and OSTs. The *ad hoc* committee could then become the vehicle through which the interfaces between the states and OSTs could be more easily established as compared to dealing with 50 STS program offices and directors.

These regional offices could perform such functions as:

Collecting the data for program evaluation components and suggesting procedures by which the states could make their own evaluations,

Exchanging information with other regional offices so that activities that have worked in some regions could be adapted and instituted in other regions,

Coordinating the training of the program staff through the region and working out training procedures with other regional offices,

Helping the states prepare meaningful proposals for activities and insuring that the program organization within each state is set up to achieve maximum program effectiveness, and

Coordinating STS programs with other federal programs so that the states can use the services provided under other programs, while remaining responsive to the guidance of OSTs and the Department of Commerce.

G. Continuing evaluation procedures

We have evolved a number of approaches, guidelines, and forms for evaluating the program (See Appendix D.) Such evaluation should not only serve the internal management of the program, but also guide the actions of the funding agencies. It will be greatly facilitated by establishing a management information system to provide data about program operations, services performed to meet program objectives, and the effectiveness of supporting functions (such as accounting, reporting, marketing, personnel and public relations). These data will enable the management to plan and control program activities, personnel selection and training, marketing and public relation support, and liaison with outside groups, including the various state offices, the universities, other federal programs, industry in general, and the public at large. Therefore, a management information system should be an integral part of the program. Such a system would have the following purposes:

Providing management with the information required to make decisions and initiate changes,

Providing a data base for analysis of economic and other benefits of the program,

Continuing evaluation of benefits provided under the program, and

Providing useful information for marketing and public relations activities, as well as for personnel selection, training and guidance.

The data for this management information system would be largely supplied by the regional and state offices and would include information on the activities of the field offices, the problems encountered, the results achieved in the program, and the performance of the program participants.

The information generated at the state level or at the regional level should be the

basis for quarterly reports and annual reports to be submitted to OSTs. These reports should answer the following questions:

How many successful cases have been identified and what are their economic effects and benefits?

Who has been served in terms of size of company, type of industry, type of technology transferred, geographical location, type of service rendered?

What has been the cost of providing the service, both direct and indirect?

How much problem-solving activity or other activity has resulted from contacts within the program and outside it?

Who has contributed to the various activities and services carried out under the program?

Have the resources been properly utilized and have difficulties been encountered in working with other agencies?

What modifications are being instituted or requested to improve program effectiveness?

What marketing efforts and public relations efforts have been undertaken and what has been the effectiveness?

What is the progress of guidance and training of program participants?

The procedures outlined above will provide the necessary data for a continuing evaluation of program effectiveness and will indicate to Department of Commerce program planners the value of involvement in the STS program.

H. Location of designated agency

In each state, a designated agency is charged with directing the program within the state. In most cases, we found that these agencies have offices that are attached either to a state-run agency or to a university. Both situations can create difficulties, although we must not overlook the advantages of co-operation and support from these groups.

We found that an agency which is attached to a state development commission or other state-run agency often sees its goals subordinated to those of the state-run agency. Because the STS programs in the states are relatively small compared to several of the other programs, the state director often finds himself in a weak position regarding the compensation he can obtain and requests for support and services from the state. State agencies are usually quick to support activities that show promise of generating substantial economic benefits, however.

Attaching an STS office to a university produces several positive results. The state director and the field agent are viewed by industry as university representatives and, therefore, find easier acceptance and higher prestige associated with their office. Industry has a high regard for academic institutions, although it may view them as being out of touch with the "practical problems." Moreover, academic institutions possess many of the resources, skills, and knowledge that the program is designed to make available to industry.

However, there is always the danger that a university's goals may conflict with those of the program. Such conflict can affect the conduct and administration of the program adversely, particularly when field agents are located in different campuses of state universities. If the university faculty views the program as irrelevant or contradictory to its own function, it will oppose it. Thus, when an office is located at a university, it is important that the program services do not interfere with the university's major tasks as defined by the university. Not all universities consider seriously their role in support of industry, or agree that problem-solving at the level of the individual firm is an appropriate way to provide such support.

There is no simple solution to the problem of organizational location and program autonomy. It would be useful to have the support and working cooperation of both

the university with its technical resources and various offices of the state government. There are parallel objectives among these organizations to which the STS field office might well provide an effective mechanism for relating efforts. To do so, it must not be controlled solely by the existing goals of the designated agency, however worthy these may in fact be.

Although it may not be possible to retain direct federal administrative control over the program in a state, physical location in a building housing other federally-sponsored programs may mitigate the problem. This would make it easier for the STS program to draw on the services provided by the other programs and would open up personal communications with the staffs of these other programs. As a result, duplication of program efforts could be reduced, activities shared, and the STS program identified with the overall federal effort to foster economic growth and development.

I. Personnel selection and training

One of the most significant features of the STS program is the high enthusiasm and commitment of the staff members we encountered during our visits to the states and our meetings with the *ad hoc* committee of state representatives. This commitment transcends any personal gain that the staff could expect to receive from this program. On the contrary, a number of staff members have contributed in a manner that would bring them to far higher salaries if they were working in private industry. In one instance, the program director is part of the state's civil service and the small size of his staff precludes him from advancing in grades, but he is recognized throughout the state as a major contributor to the state's economic growth.

Nevertheless, the field agents could benefit from further training and guidance. To be successful, a field agent should be trained to perceive the possible effects of new technologies on industry. He must also be able to present technological information in a form understandable to people in industry. Because problem-solving is a crucial activity within the program, the field agent should be able to identify with the problem and procedures of a given industry or industry groups so that he can be perceived as being "on industry's side." The agent need not have training in a specific technical area to be helpful, but he should be able to familiarize himself quickly with the methods and terminology used in that area. It may often be useful to have some field agents with specialized technical knowledge in given areas, so that problems in those areas can be referred to them.

In addition to having a technical education, therefore, a field agent should:

Be well versed in the basic economics of business enterprise,

Be imaginative and capable of readily grasping new concepts,

Be able to quickly learn a company's research and manufacturing capabilities and its marketing objectives,

Be capable of assessing the effects of changes on a company and on the social environment,

Be able to convey new ideas and deal effectively at different levels within the company,

Be willing to seek and accept responsibility for the problem-solving activities from inception to successful conclusions, and

Be flexible enough to discard a pet idea when it becomes inappropriate and to look beyond stock answers or procedures for the solution to a problem.

The best way to select new field agents is to find people who have a proven record of success with industrial problem-solving or consulting. Sales or marketing experience, particularly with technical products, would

also be desirable. A useful selection procedure might be to have successful field agents interview potential applicants and to rely on agents' judgments.

Field agents with the qualifications outlined above will require high salaries, good facilities, and strong support. We have found that successful field agents often receive employment offers from the industries they serve and are lost to the program. Compensation practices, therefore, should recognize the need for higher pay levels and better facilities for field agents. Reduction in program costs could be achieved with fewer field agents who are better trained and capable of assuming more responsibility and authority.

Field agents capable of doing an effective job neither need nor want detailed instruction on how to go about their work. The best way to provide this type of man with useful and constructive criticism while cultivating and supporting his independent thought and action is through seminars, organizational development activities, and group meetings where a full, frank exchange of experience is possible. New personnel might be supplied with a written guide to provide background information. There should be continuing review of cases and failure analysis of activities to give program personnel the opportunity to learn from their mistakes.

FOOTNOTES

¹ State Technical Services Act of 1965, 89th Congress, Report No. 817, pp. 1-2.

² *Growth Through Technology*, final report of the Public Evaluation Committee for the State Technical Services Act of 1965, presented to the Secretary of Commerce of the United States, November 14, 1968.

³ Federal, state, and local tax revenues as estimated in "Differential Economic Impact Analysis of a Proposed Central Whey Drying Plant in Vermont" by C. L. Fife and K. M. Nilson are as follows:

Franklin County property tax.....	\$109,800
Property tax increase due to expansion	18,000
State corporate income tax.....	15,000
Personal income tax increase.....	40,500
Federal corporate tax.....	150,000
Federal personal income tax increase	121,000
Total	454,800

⁴ "The Fortune Directory of the 500 largest U.S. Industrial Corporations who did best (and worst) among the 500," *Fortune*, June 15, 1968, p. 204.

⁵ The State Technical Services Act is concerned with promoting benefits in the terms we have used here and does not permit support of "... services specially related to a particular firm or company, public work or other capital work except insofar as the services are of general concern to the industry and commerce of the community, State, or region." *State Technical Services Act of 1965*, 89th Congress, Report No. 817, p. 9.

⁶ "Technology: Processes of Assessment and Choice," *Report of the National Academy of Science*, July 1969, p. 29.

⁷ J. A. Schumpeter, *The Theory of Economic Development*, Harvard University Press, 1936, and "The Creative Response in Economic History," *Journal of Economic History*, Nov. 1947, pp. 149-59.

⁸ R. M. Solow, "Technical Change and the Aggregate Production Function," *Review of Economics and Statistics*, Aug. 1957, Vol. 39, pp. 312-320.

⁹ I. H. Plotkin, "The Consequences of Industrial Regulation on Profitability, Risk Taking, and Innovation," A statement submitted to the Interstate Commerce Commission on behalf of Sea Land Service, Inc., *Arthur D. Little, Inc., Report*, June 1969.

¹⁰ Value added is the contribution of an industry to GNP since it is the sum of wages and salaries, depreciation, rents, profits, and indirect business taxes. It is the measure of

the net addition to GNP by a productive process.

¹¹ The national numbers used were taken from *The Economic Report of the President* transmitted to the Congress Jan. 1969, Appendix B, Tables B-1, B-23, and B-63.

¹² United States employment throughout 1968 averaged 75,920,000 persons.

¹³ Federal levels have remained within narrow ranges, \$3,024,999 in 1966, \$4,981,939 in 1967, \$5,829,999 in 1968 and \$4,874,000 in 1969.

¹⁴ \$603 million federal expenditure was reported for the collection, documentation, and dissemination of scientific and technical information in 1966. \$684 million was projected for 1967 and \$760 million for 1968. *National Science Foundation*, "Federal Funds for Research, Development and other Scientific Activities: Fiscal Years, 1966, 1967 and 1968." XVI, Washington, D.C., USGPO, Aug. 1967.

¹⁵ *The National Academy of Sciences* in the 1969 Report of the Scientific and Technical Communication recommends that the federal government establish a single group to (a) plan a unified program of critical experiments of operational scale in scientific and technical communication and (b) find, guide, and support contractors in the conduct of such experiments.

¹⁶ Regional dissemination centers set up under the auspices of the NASA Technology Utilization Program carry out some of these activities, but are not designed to meet the needs of the STS program.

STATE TECHNICAL SERVICES PROGRAM

Mr. SCOTT. Mr. President, I wish to express my deep disappointment over the action of the conferees in totally deleting funding in the current supplemental appropriations bill for the State technical services program. I had hoped that the \$5 million contained in the Senate version of the supplemental, as compared with zero funding in the House bill, might be compromised at \$2.5 million in the final conference report. This amount, while inadequate, would at least have allowed Federal participation in State technical services projects to continue. That no STS funds other than those for administrative expenses will have been appropriated by Congress this year, is a matter of serious concern to me.

Mr. President, I am the primary Republican cosponsor of the original legislation, now Public Law 89-182, which established the State technical services program in 1965. This act authorized Federal grants to the States, on a fully equal matching basis, for cooperative programs designed to encourage the distribution and utilization of scientific knowledge in business, commerce, and industry. The legislative history leading to enactment made clear that it was the intent of Congress that the State technical services program was to be both permanent and ongoing.

Last year, I was privileged to cosponsor, and to conduct Senate Commerce Committee hearings on, legislation extending the State technical services program. If there was one theme which dominated these hearings, it was that the enthusiastic reception of the State technical services program by the States and business communities had produced a demand for Federal matching dollars

far in excess of supply. I believe it is significant that the version of the extending legislation finally approved was essentially the Senate bill calling for a 3-year extension of this program, rather than the limited 1-year extension passed initially by the House of Representatives.

Unhappily, the State technical services program, during its brief history, has been characterized by an appropriations level far below authorizations. The original State Technical Services Act authorized appropriations for Federal participation of \$10 million, \$20 million, and \$30 million for fiscal years 1966, 1967, and 1968, respectively. Actual appropriations, reflecting national commitments abroad, were \$3.5 million, \$5.5 million, and \$6.5 million for those years. Last year's final bill contained additional authorizations of \$6.6 million for the current fiscal year, and \$10 million each for fiscal years 1970 and 1971.

In January of this year, I wrote to both President Nixon and Commerce Secretary Stans urging that the State technical services program be funded. My letter grew out of reports which saw some likelihood that State technical services might be considered in the uncertain context of social welfare legislation, rather than as an effort which is distinctly oriented toward the improvement of the economy, and which also produces new employment opportunities as one of its many benefits. Subsequently, I was advised by Secretary Stans, in response to my letter, that the Arthur D. Little Co. had been retained by the Department of Commerce to make an independent review of the State technical services program. I was most pleased when I learned in October of the Arthur D. Little report's conclusion that:

Our evaluation of the STS Program shows it is providing a useful and economic service in transferring technology which substantially benefits the nation . . . We recommend that the STS Program receive continued Federal and State support with increasing emphasis on direct service to industry.

I am pleased especially to note also that my Commonwealth of Pennsylvania has been among the most enthusiastic of the States in its reception of this program, known in Pennsylvania as the Pennsylvania technical assistance program—Penntap—and ably administered through the Pennsylvania State University. Despite budgetary pressures, the Pennsylvania State Legislature this year appropriated \$200,000 for State participation in the State technical services through Penntap. In the absence of Federal matching, this allowed the State technical services program in Pennsylvania to continue. If Federal matching is not soon forthcoming, however, these efforts certainly will be jeopardized, not only in Pennsylvania, but in all of the 50 States, as well as Guam, Puerto Rico, the Virgin Islands, and the District of Columbia, where State technical services now are planned or in actual operation.

Mr. President, I believe sincerely that more than funds are involved here. The very future of the State technical services program is at stake. Each evaluation

conducted to date has shown that the State technical services program can provide, and is providing, real economic growth through the effective transfer of technology. Yet delays in Federal matching, which have occurred each year, are adversely affecting this program.

Therefore, Mr. President, it is my hope that funding for State technical services can be included in the next supplemental appropriations bill, perhaps in January. Efforts in this direction will have my full support.

NATIONAL COMMISSION ON THE CAUSES AND PREVENTION OF VIOLENCE

Mr. HART. Mr. President, the National Commission on the Causes and Prevention of Violence has now disbanded, but I do think that the Nation will be poorly served if its reports are allowed to be forgotten.

I say that at the risk of sounding self-congratulatory, since I was a member of that Commission. So I should hasten to add, truthfully, that credit for the report is due—in a very large degree—to a brilliant staff and a most knowledgeable and civilized Chairman, Dr. Milton S. Eisenhower.

The report is long, but so that at least the introduction with its summary may be readily available to all Senators, I ask unanimous consent that it be printed in the RECORD.

The paragraphs in the introduction that hit home the hardest for me are those that urge a reordering of our national priorities.

The introduction states the conviction of the Commission that our liberties today are under as great a threat from within our society as from any foreign power; and it declares that these new threats can be dealt with only if we devote a sizable portion of our national resources to them.

I ask unanimous consent that the introduction be printed in the RECORD.

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

TO ESTABLISH JUSTICE, TO INSURE DOMESTIC TRANQUILITY

(Final report of the National Commission on the Causes and Prevention of Violence, December 13, 1969)

INTRODUCTION

This Commission was created by the President in June, 1968, to determine the causes of violence in the United States and to recommend methods of prevention.

Last January we issued a Progress Report, stressing the enormous complexities involved in understanding this vexing and multifaceted problem.¹ We noted that to understand violence, we had to study American society itself, past and present, and the traditions and institutions which accept or condemn, generate or reduce the various forms of violence in our society. We indicated, too, that rather than depending solely on our own knowledge and preconceptions, we had found it necessary to enlist the assistance of more than two hundred of the nation's leading scholars in criminology, psychology, history, political science, sociology, and law.

¹ The Progress Report is reproduced as Appendix 2 to this Report.

We have now completed our study. We present the results in this Report. The full scope of our endeavor will be apparent to those who study not only what we say here but also the work of our seven research task forces and five investigatory study teams. Their reports to us fill fifteen volumes.² We also held a series of hearings and conferences, receiving the views of more than 150 public officials, scholars, educators, religious leaders, and private citizens from media executives to young students. We are publishing the transcript of six days of hearings on the mass media; transcripts of the other hearings will be available for study in the National Archives.

VIOLENT CRIME (U.S. 1968)

	Number reported crimes	Rate per 100,000 population
Homicide.....	13,650	6.8
Forcible rape.....	31,060	15.5
Robbery.....	261,730	131.0
Aggravated assault.....	282,400	141.3
Total.....	588,840	294.6
Total Reported Serious Property Crime United States 1968 (Burglary, Larceny Over \$50, Auto Theft).....	3,877,700	1,940.0

Comparison of U.S. homicide rates with those of other nations, 1966

[Rate per 100,000 population]

Australia.....	1.5
Finland.....	2.3
Canada.....	1.3
United States.....	6.0
Austria.....	1.1
England and Wales.....	0.7
Hungary.....	1.9

Source: Task Force Report, *Crimes of Violence* (National Commission on the Causes and Prevention of Violence, to be published.)

Extensive as our study was, it could not embrace every aspect of such a complex problem. Others must build on our work, just as we have built on work that preceded ours. But within the confines of the time and resources available to us, we believe we have gained some valuable insights. We believe we have identified the causes of much of the violence that plagues contemporary America. We are convinced that most of this violence can be prevented, for our work has illuminated for us the strengths of this great nation, as well as its shortcomings. Our institutions and the spirit of our people are equal to this challenge, no less than to the challenges we have met in the past.³

Violence in the United States has risen to alarmingly high levels. Whether one considers assassination, group violence, or individual acts of violence, the decade of the 1960s was considerably more violent than the several decades preceding it and ranks among the most violent in our history. The United States is the clear leader among modern, stable democratic nations in its rates of homicide, assault, rape, and robbery, and it is at least among the highest in incidence of group violence and assassination.

This high level of violence is dangerous to our society. It is disfiguring our society—making fortresses of portions of our cities and dividing our people into armed camps. It is jeopardizing some of our most precious institutions, among them our schools and

² The contents of these reports are outlined in Appendix IV.

³ We have devoted an entire Chapter of this Report to "The Strengths of America."

universities—poisoning the spirit of trust and cooperation that is essential to their proper functioning. It is corroding the central political processes of our democratic society—substituting force and fear for argument and accommodation.

We have endured and survived other cycles of violence in our history. Today, however, we are more vulnerable to violence than ever before. Two-thirds of our people live in urban areas, where violence especially thrives. Individual and group specializations have intensified our dependence on one another. Men are no longer capable of solitary living and individual self-defense; men must live together and depend upon one another to observe the laws and keep the peace.

The American people know the threat. They demand that violence be brought to a halt. Violence must be brought under control—to safeguard life and property, and to make possible the creation of the understanding and cooperation needed to remedy underlying causes. No society can remain free, much less deal effectively with its fundamental problems, if its people live in fear of their fellow citizens; it is ancient wisdom that a house divided against itself cannot stand.

In this Report we suggest a number of specific measures for the better control of violence. We urge, for example, that the nation should double its investment in the prevention of crime and the administration of justice, as rapidly as that investment can be wisely planned and utilized. We recommend that central offices of criminal justice be created at the metropolitan level to make all parts of the criminal justice process—police, courts, corrections—function more effectively, and that private citizens' organizations be formed to work as counterparts of these offices in every major city in the nation. We urge that public officials, including law enforcement officers, intensify their efforts to develop more effective tactics in handling both peaceful demonstrations and violent disturbances. As we show by comparing successful and unsuccessful strategies of control of major mass demonstrations of the past few years, official behavior may determine whether protest remains peaceful or erupts into serious violence.

Further, we recommend the adoption of a national firearms policy that will limit the general availability of handguns.

Crime and law enforcement

(Total serious crimes*, U.S. 1968: 9,000,000)

[Percent—Based on estimates]

All serious crimes committed.....	100
Crime reported to the police.....	50
Suspect arrested for crime.....	12
Suspect convicted for crime.....	6
Suspect imprisoned for crime.....	1.5

*Aggregate of homicide, forcible rape, robbery, aggravated assault, burglary, larceny over \$50, auto theft.

VIOLENT CRIME IN THE CITY

VIOLENT CRIME BY CITY SIZE (UNITED STATES 1960 AND 1968)

(Rates per 100,000 population)

Cities	1960	1968
Over 250,000.....	293.7	773.2
100,000 to 250,000.....	154.0	325.3
50,000 to 100,000.....	104.3	220.5
25,000 to 50,000.....	70.1	150.8
10,000 to 25,000.....	57.3	126.6
Under 10,000.....	47.7	111.4
Suburban.....	N.A.	145.5
Rural.....	N.A.	96.5

REPORTED URBAN ARREST RATES FOR VIOLENT CRIMES BY AGE

Rate per 100,000 population, United States 1967	Age	Increase in rate 1958 to 1967 (percent)
123.0.....	10 to 14.....	222.0
408.2.....	15 to 17.....	102.5
222.1.....	10 to 17.....	138.8
436.1.....	18 to 24.....	45.5
127.3.....	25.....	41.1
189.1.....	(¹)	65.7

NOTES

¹ All ages (10 plus). Violent crime in the city is overwhelmingly committed by males.

Violent crime in the city is concentrated especially among youths between the ages of 15 and 24.

Violent crime in the city is committed primarily by individuals at the lower end of the occupational scale.

Violent crime in the cities stems disproportionately from the ghetto slum where most Negroes live.

The victims of assaultive violence in the cities generally have the same characteristics as the offenders: victimization rates are generally highest for males, youths, poor persons, and blacks. Robbery victims, however, are very often older whites.

Source: Task Force Report, "Crimes of Violence" (National Commission on the Causes and Prevention of Violence, to be published.)

Necessary as measures of control are, they are only a part of the answer. They do not cure the basic causes of violence. Violence is like a fever in the body politic: it is but the symptom of some more basic pathology which must be cured before the fever will disappear.

Indeed, if measures of control were this society's only response to violence, they would in the long run exacerbate the problem. The pyramiding of control measures could turn us into a repressive society, where the peace is kept primarily through official coercion rather than through willing obedience to law. That kind of society, where law is more feared than respected, where individual expression and movement are curtailed, is violent too—and it nurtures within itself the seeds of its own violent destruction.

In this Report, we analyze basic causes which underlie the chief varieties of contemporary violence. We make a number of recommendations directed to removing these causes. They cannot be eliminated entirely; even in a perfectly just society in which all have a fair and nondiscriminatory stake, there will always be some violent individuals, in rural as well as in urban areas, and measures of control will always be required to restrain them. But we can improve the conditions and opportunities of life for all citizens and thus reduce sharply the number who will commit violent acts.

Thus, we urge that young people must be given a greater role in determining their own destiny and in shaping the future course of our society. Responsible participation in decision-making may, for many, be a substitute for the violence that is born in frustration. We propose lowering the voting age, reforming the draft, and providing a massive expansion in opportunities for youth to engage in public service activities whose goals young people wholeheartedly embrace.

While we categorically condemn all illegal violence, including group violence,⁴ as incompatible with the survival of a just, democratic, and humane society, we state emphatically that aggrieved groups must be permitted to exercise their constitutional rights of protest and public presentation of grievances. Accordingly, we believe the Pres-

⁴ In Chapter 3 we define group violence as the unlawful threat or use of force by any group that results or is intended to result in the injury or forcible restraints or intimidation of persons, or the destruction or forcible seizure of property.

ident should seek legislation that would confer jurisdiction upon the United States District Courts to grant injunctions, upon the request of the Attorney General or private persons, against the threatened or actual interference by any person, whether or not under color of state or federal law, with the rights of individuals or groups to freedom of speech, freedom of the press, peaceful assembly, and petition for redress of grievances.

We must have the perception to recognize injustices when they are called to our attention, and we must have the institutional flexibility to correct those injustices promptly. To enable the less affluent to obtain effective and peaceful redress of grievances, we recommend that additional steps should be taken to meet their needs for lawyers, and that state and local jurisdictions should be encouraged to experiment with the establishment of grievance agencies to serve all citizens.

The way in which we can make the greatest progress toward reducing violence in America is by taking the actions necessary to improve the conditions of family and community life for all who live in our cities, and especially for the poor who are concentrated in the ghetto slums. It is the ghetto slum that is disproportionately re-

sponsible for violent crime, by far the most acute aspect of the problem of violence in the United States today.

To be a young, poor male; to be undereducated and without means of escape from an oppressive urban environment; to want what the society claims is available (but mostly to others); to see around oneself illegitimate and often violent methods being

used to achieve material gain; and to observe others using these means with impunity—all this is to be burdened with an enormous set of influences that pull many toward crime and delinquency. To be also a Negro, Puerto Rican or Mexican-American and subject to discrimination and segregation adds considerably to the pull of these other criminogenic forces.

DEMONSTRATIONS, RIOTS AND INDIVIDUAL VIOLENT CRIMES (U.S. JUNE 1963-MAY 1968)

	Political demonstrations and protests involving more than 100 persons ²	Urban riots ³	Individual acts of violent crime ¹	
			Homicide	Aggravated assault
Population.....	4 2,000,000	4 200,000	4 195,000,000	4 195,000,000
Injuries.....	1,100	8,000		1,124,200
Deaths.....	(9)	190	53,200	
Arrests.....	21,000	50,000	39,000	457,500

¹ Based on uniform crime reports, FBI, adjusted for mid-1963 to mid-1968.
² Civil rights demonstrations, antiwar demonstrations, student protests on campus issues, school anti-integration demonstrations, segregationist clashes and counter-demonstrations, 642 events identified.
³ 239 events identified.
⁴ Participants.
⁵ Citizens.
⁶ None.

Source: Task force report, violence in America (National Commission on the Causes and Prevention of Violence, June 1969).

ASSASSINATION ATTEMPTS AGAINST PRESIDENTS AND PRESIDENTIAL CANDIDATES

Victim	Year	Assailant and professed or alleged reason	Method of attack and result	Location	Activity of victim at time of attack
Andrew Jackson.....	1835	Richard Lawrence; declared insane, said Jackson was preventing him from obtaining large sums of money.	Pistol, misfired.....	Washington, D.C.....	Attending funeral service in Capitol rotunda
Abraham Lincoln.....	1865	John W. Booth; loyalty to the Confederacy, revenge for defeat, slavery issue.	Pistol, killed.....	do.....	Attending theatrical performance in Ford Theater.
James Garfield.....	1881	Charles Guiteau; disgruntled office-seeker, supporter of opposite faction of Republican Party.	do.....	do.....	Passing through train station to go on vacation.
William McKinley.....	1901	Leon F. Czolgosz; anarchist ideology.....	do.....	Buffalo, N.Y.....	Standing in reception line at Pan-American Exposition.
Theodore Roosevelt (candidate).....	1912	John Schrank; declared insane, had vision that McKinley wanted him to avenge his death.	Pistol, wounded.....	Milwaukee, Wis.....	Leaving hotel to deliver a campaign speech.
Franklin D. Roosevelt (President-elect).	1933	Giuseppe Zangara; hated rulers and capitalists.....	Pistol, bullets missed the President.	Miami, Fla.....	Leaving after delivering speech in Bayside Park.
Harry S. Truman.....	1950	Oscar Collazo and Griselio Torresola; Puerto Rican independence.	Automatic weapon, prevented from shooting at President.	Washington, D.C.....	Insider Blair House as assassins attempted to break in.
John F. Kennedy.....	1963	Lee H. Oswald; motive unknown.....	Rifle, killed.....	Dallas, Tex.....	Taking part in motorcade through Dallas streets.
Robert F. Kennedy (candidate).....	1968	Sirhan Sirhan; opposition to U.S. mid-East policy.....	Pistol, killed.....	Los Angeles, Calif....	Leaving primary campaign headquarters through hotel kitchen after delivering speech.

Source: Task force report, "Assassination and Political Violence" (National Commission on the Causes and Prevention of Violence, October 1969).

Safety in our cities requires nothing less than progress in reconstructing urban life. We must meet the 1968 Housing Act's goal of a decent home for every American within a decade. We must take more effective steps to realize the goal, first set in the Employment Act of 1946, of a useful job at a reasonable wage for all who are able to work. We must provide better educational opportunities for all our children. We must act on current recommendations that those American families who cannot care for themselves receive a basic annual income. We must restructure our local governments, restore their fiscal vitality and accomplish a host of other major tasks of the kind discussed in this Report.

As these brief introductory comments indicate, we believe that the twin objectives of the social order must be to make violence both unnecessary and unrewarding. To make violence unnecessary, our institutions must be capable of providing justice for all who live under them—of giving all a satisfactory stake in the normal life of the community and the nation. To make violence unrewarding, our institutions must be able to control

violence when it occurs, and to do so firmly, fairly, and within the law.

The Preamble of our Constitution does not speak merely of justice or merely of order; it embraces both. Two of the six purposes set forth in the Preamble are to "establish justice" and to "insure domestic tranquility." If we are to succeed in preventing and controlling violence, we must achieve both of these goals.

We are well aware that our recommendations for attaining these objectives—and the recommendations of other national commissions before us—will require far-reaching improvements in our institutions and unprecedented levels of public funding. We adopt as our own the verdict which the Kerner Commission pronounced upon the scope and costs of its recommendations:

[T]hey neither probe deeper nor demand more than the problems which called them forth. There can be no higher priority for national action and no higher claim on the nation's conscience.

For the past three decades, the primary concerns of the federal government have been the national defense, the conduct of wars and foreign affairs, the growth of the econ-

omy, and, more recently, the conquest of space. These problems have consumed the major part of the public attention. They currently devour more than two-thirds of federal expenditures and approximately 50 percent of federal, state, and local expenditures combined.

Traditionally we have left the problems of social justice, provision of essential community services, and law enforcement primarily to the states and cities. In recent years, the federal government has made some major efforts in diverse fields such as rural development, civil rights, medical care, housing, employment, and education, but these efforts have been subordinated to the claims of the "national security."

Yet the federal government still collects the lion's share (about 65 percent) of all tax receipts. Tax revenue available to the states and cities falls woefully below what is needed to discharge their responsibilities. Each one percent rise in the Gross National Product increases the income of the federal government by one and one-half percent, while the normal income of state and city governments increases by less than half that percentage. Concentration on "national" and

international problems at the expense of "local" and domestic concerns has left us with an enormous deficit of unmet social needs and deeply-felt social injustices.

Ironically, this gap has appeared despite rapidly accelerating technological, economic and social gains. For the first time in man's history, the nation is nearing the capability of releasing all citizens from the poverty and social privation that hitherto have been accepted as the inevitable lot of mankind. We have also achieved an enormous capacity to communicate: the poor, the black, and other deprived groups among us can see daily on their television sets what they are missing, and how near their release from bondage can be. But our institutions have not yet made it possible for an expectant populace to achieve what our economy and technology are becoming capable of providing.

In our judgment, the time is upon us for a reordering of national priorities and for a greater investment of resources in the fulfillment of two basic purposes of our Constitution—to "establish justice" and to "insure domestic tranquility."

We solemnly declare our conviction that this nation is entering a period in which our people need to be as concerned by the internal dangers to our free society as by any probable combination of external threats. We recognize that substantial amounts of funds cannot be transferred from sterile war purposes to more productive ones until our participation in the Vietnam war is ended. We also recognize that to make our society essentially free of poverty and discrimination, and to make our sprawling urban areas fit to inhabit, will cost a great deal of money and will take a great length of time. We believe, however, that we can and should make a major decision now to reassess our national priorities by placing these objectives in the first rank of the nation's goals.

Firearms

1. Total number of firearms in civilian hands (U.S. 1968):

	Million
Shotguns	31
Handguns	24
Rifles	35
Total	90

2. Annual increase in number of firearms in civilian hands (U.S. 1962 versus 1968):

Rifles:	Million
1962	0.7
1968	1.4
Shotguns:	
1962	0.7
1968	1.4
Handguns:	
1962	0.6
1968	2.5
Total, 1962	2.1
Total, 1968	5.3

3. Criminal uses of firearms (U.S. 1964 versus 1967):

[Percentage with firearms]	
Homicides:	
1964	55
1967	63
Aggravated assaults:	
1964	15
1967	21
Robberies:	
1964	Not available
1967	37

4. Deadlines of firearms attack versus knife attacks (U.S. 1967):

[In percent]	
Firearms attacks resulting in death	12.8
Knife attacks resulting in death	2.9

Firearms—Continued

Firearms attacks are thus 4.4 times as deadly as knife attacks.

5. Type of gun used in crimes committed with firearms (large U.S. cities 1967):

[In percent]	
Homicide:	
Handguns	92
Long guns	0.8
Aggravated assault:	
Handguns	86
Long guns	14
Robbery:	
Handguns	96
Long guns	0.4

Source: Task Force Report, *Firearms and Violence in American Life* (National Commission on the Causes and Prevention of Violence, July, 1969).

The decision that has the greatest effect on the level of our expenditures for these objectives is what we decide to spend on the national defense. For three decades, the national defense has ranked first by far in our scale of priorities, much of the time necessarily so. With occasional exceptions, whatever the Administration has requested for the Armed Forces has been readily granted. Since 1939 there have been a number of occasions when the Administration's budget requests for the Armed Forces have been exceeded by Congressional appropriations; for most other federal programs the opposite is true. For example, actual appropriations for the general welfare (health, labor, education, housing, pollution, and law enforcement) are currently running more than five billion dollars annually below the amounts previously authorized by the Congress.

Our Commission is not competent to recommend a specific level of national defense expenditures. We recognize that without the deterrent capability essential for security against external attack, internal freedom and security would not be possible. It is to be expected that our military leaders will, like other government officials; stress the extreme urgency of the programs under their charge. But we believe the time has come to question whether expenditures for the general welfare should continue to be subordinated to those for national defense.

Defense expenditures, stated in 1968 prices, fell from about 78 billion dollars in 1953 (at the end of the Korean War) to about 60 billion dollars in 1954 and remained at that level for the decade 1955 to 1964. But by 1968 they had risen again to the present 81 billion dollar annual level as the result of our major commitment of troops to Vietnam.⁵

Federal expenditures for the general welfare, while they have increased substantially over the past several years, are now approximately 60 billion dollars, of which \$25 billion represents social security payments.

As a first step, we should try to reverse this relationship. When our participation in the Vietnam War is concluded, we recommend increasing annual general welfare expenditures by about 20 billion dollars (stated in 1968 dollars), partly by reducing military expenditures and partly by use of increased tax revenues resulting from the growth of the Gross National Product. We suggest this only as an initial goal; as the Gross National Product and tax revenues continue to rise, we should strive to keep military expenditures level (in constant dollars), while general welfare expenditures should continue to increase until essential social goals are achieved.⁶

⁵ For fiscal 1970, the budgeted figure is \$77 billion.

⁶ Some experts believe that since military expenditures were successfully held to an an-

Based on estimates of the Council of Economic Advisers,⁷ the funds needed to achieve this goal without inflationary consequences could be obtained from two sources:

(1) The end of the Vietnam war should reduce defense expenditures by 19 billion dollars annually. The Council anticipates that this reduction will be offset in part by war-end program adjustments and deferred weapons programs. Hence, defense expenditures should go down to about 65 billion dollars (at 1968 prices).⁸

(2) The Gross National Product is expected to increase over the next decade (in constant dollars) at the rate of about four percent a year. The same should be true of federal tax revenues, which should grow in real terms at an annual increment of approximately 15 billion dollars.⁹ Of this amount, approximately half will be required to meet expected annual increases for "baseline" federal non-defense expenditures other than general welfare programs. Hence, about seven or eight billion dollars more each year than the preceding year should be available for new and expanded programs in the general welfare field.

Whether somewhat more or less than the amounts we have indicated should be provided to overcome social ills is not the important point.¹⁰ What is important is that the people of this nation recognize both the possibilities and the need for choice. For an entire generation, we have necessarily been more aware of and responsive to the external dangers to our society than to the internal dangers. In this Commission's opinion, the internal dangers now demand a greater awareness and a more substantial response—one that can only be made if we face the

annual level of 60 billion dollars (in 1968 prices) for the decade from 1955 to 1964, a comparable plateau can and should be maintained for the decade of the seventies. Indeed, it has been urged that, assuming the success of strategic arms limitation talks and a reevaluation of our foreign commitments, it would be feasible to hold the military budget for the early 1970s to 50 billion dollars (at 1969 prices). See Kayser, "Military Strategy, Military Forces and Arms Control," in *Agenda for the Nation* (Washington, D.C.: Brookings Institution, 1969), p. 549.

⁷ Annual Report of the Council of Economic Advisers, January, 1969, pp. 199-200.

⁸ At estimated 1972 prices, for example, actual outlays would be 73 billion. At this point, defense expenditures would be at seven percent of forecast GNP, as compared to perhaps eight percent at present. In other industrially advanced democratic countries, according to the Institute for Strategic Studies, defense expenditures (in 1966) were 6.4 percent of GNP for the United Kingdom, 4.4 percent in France, 3.6 percent in West Germany, 3.3 percent in Italy, 2.2 percent in Canada and 1.1 percent in Japan. For Soviet Russia, the estimated figure is 8.9 percent, but this represents a total 1966 defense outlay of less than 30 billion dollars as compared to about 68 billion dollars for the United States.

⁹ This estimate assumes that the present 10 percent surcharge will have been repealed, but that other tax reform measures will be neutral in their effect on aggregate revenues. Any substantial reduction in federal tax revenues incidental to tax reform will make it more difficult to reorder our priorities as we have proposed.

¹⁰ We further note that the same point can be strongly made for other non-military categories of expenditure that have been built into the federal budget, including agricultural and maritime subsidies, the postal service as presently structured, and space exploration. See Schultze, "Budget Alternatives After Vietnam" in *Agenda for the Nation* (Brookings, 1969), p. 44.

need to reorder our priorities. It is time to balance the risks and precautions we take abroad against those we take here at home.

The Department of Health, Education, and Welfare has made a suggestion which merits careful consideration as a potentially valuable supplemental step toward reordering national priorities, namely, the preparation of an "Annual Social Report."¹¹ The Annual Social Report, comparable to the present Annual Economic Report, would provide us with a set of measurements—of "social indicators"—on how well we have done in providing housing, education, health care, public safety, and opportunities for the upward advancement of all sectors of our population. It would tell us whether the disadvantaged groups among us have been advancing at a rate sufficient to foster hope and to quiet the desperation that drives men to violence. It would significantly aid the nation and its leaders in establishing national priorities.

The Social Report would be prepared by social scientists recruited for stated periods of public service from among the nation's best scholars, just as the members and staff of the Council of Economic Advisers are today. They could be organized as a Council of Social Advisers, as are the Economic Advisers, or in some other visible and independent form. A major function of the social science staff would be to develop tools for measuring the comparative effectiveness of social programs. While we have learned a good deal about social stresses and the gross causative factors that require correction, we still know very little about whether particular remedial programs work at all which ones work better than others, and why. We lack practicable means for measuring cost-benefit ratios, for establishing and observing parallel programs with significant variables, and for putting an end to programs which have failed to justify their continuance.¹² A central staff charged with this responsibility could do much to improve the accuracy of our social planning and the efficacy of on-going programs.

Two decades ago, the Council of Economic Advisers was created by the Full Employment Act of 1946, amid much skepticism about the "science" of economics and particularly about the wisdom and effect of governmental efforts to stimulate or restrain economic activity. Today we recognize the importance of the government's economic role and of national economic measurements, imprecise and imperfect as the economist's tools still are. The other social sciences may now have as much potential for informing wise government policy as economics had twenty years ago.

In a democratic society, the citizens possess the basic social power, and national priorities reflect the value judgments of the majority. Skeptics may thus take a pessimistic view of this Commission's recommendation that our national priorities be reordered. They will point, for example, to the reluctance of the public, despite the penetrating reports and the excellent recommendations of previous presidential commissions, to take the comprehensive actions needed to curb crime, eliminate racial discrimination, and alleviate the problems of the ghetto poor. They will point especially to middle-class America—to the "forgotten American"—and his concern over some consequences of racial integration, his rebellion against rising taxes, his distrust of dissent on the campus and protest movements in the capital. How realistic is it, they will ask, to

think that the majority of Americans will support a reallocation of our national resources to deal with social problems?

Skepticism is understandable. But the majority of Americans have always responded constructively to national crises when they have been fully informed and responsibly led. The "silent majority," like most other Americans, do not wish to surrender any of the most important freedoms of our open society—freedom of movement, freedom from harm, freedom from fear. They stand to benefit from the programs necessary to retain these freedoms just as much as any disadvantaged minority. All Americans—the majority and our various minorities—must come to grips with the basic causes of violence in our society and do what must be done to achieve liberty and justice for all.

Some, with little faith in our nation, predict that majority indifference will result in a violent revolution of some kind. Indeed, nihilists and anarchists openly espouse this course. We see signs, however, that a peaceful revolution is already under way; a spirit of needed reform is rising steadily among the people and in the ranks of local and national leaders. We see a growing readiness to formulate new values, to set new priorities, and to make firm commitments now, to be honored as soon as resources are available.

Some ordinary citizens feel they can do nothing to influence the direction and the destiny of their nation. But more and more Americans are proving this to be a myth. A growing number of our citizens have found they need not stand idle while our cities rot, people live in fear, householders build individual fortresses, and human and financial resources flow to less urgent endeavors. A new generation of Americans is emerging, with the energy and the talent and the determination to fulfill the promise of the nation. As it ever was, the young—idealistic but earnest, inexperienced but dedicated—are the spearheads of the drive toward change, and increasing numbers of adult Americans are joining their ranks.

When in man's long history other great civilizations fell, it was less often from external assault than from internal decay. Our own civilization has shown a remarkable capacity for responding to crises and for emerging to higher pinnacles of power and achievement. But our most serious challenges to date have been external—the kind this strong and resourceful country could unite against. While serious external dangers remain, the graver threats today are internal: haphazard urbanization, racial discrimination, disfiguring of the environment, unprecedented interdependence, the dislocation of human identity and motivation created by an affluent society—all resulting in a rising tide of individual and group violence.

The greatness and durability of most civilizations has been finally determined by how they have responded to these challenges from within. Ours will be no exception.

RECESS

Mr. KENNEDY. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and, at 11 o'clock and 32 minutes a.m., the Senate recessed, subject to the call of the Chair.

The Senate reconvened at 12:52 p.m. when called to order by the Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its

reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 14956. An act to extend for 3 years the period during which certain dyeing and tanning materials may be imported free of duty; and

H.J. Res. 1041. A joint resolution establishing that the second regular session of the 91st Congress convene at noon on Monday, January 19, 1970.

The message also announced that the House had agreed to the following resolutions:

H. Res. 768. A resolution relating to appointment by the House to join a similar committee appointed by the Senate to wait upon the President of the United States and inform him that the two Houses have completed their business of the session and are ready to adjourn, unless the President has some other communication to make to them; and

H. Res. 769. A resolution relating to printing of reports of the Comptroller General of the United States during the adjournment of Congress.

The message informed the Senate that the Speaker had appointed Mr. ALBERT of Oklahoma and Mr. GERALD R. FORD of Michigan as members on the part of the House of the Committee to Notify the President.

The message announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 475. A concurrent resolution providing for sine die adjournment of the first session of the 91st Congress; and

H. Con. Res. 476. A concurrent resolution authorizing the Speaker of the House of Representatives and the President of the Senate or the President pro tempore or the Acting President pro tempore of the Senate to sign enrolled bills and joint resolutions notwithstanding the sine die adjournment of the two Houses.

HOUSE BILL REFERRED

The bill (H.R. 14956) to extend for 3 years the period during which certain dyeing and tanning materials may be imported free of duty, was read twice by its title and referred to the Committee on Finance.

RECESS

Mr. METCALF. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

(Thereupon (at 12 o'clock and 53 minutes p.m.) the Senate took a recess subject to the call of the Chair.)

The Senate reconvened at 1:08 p.m. when called to order by the Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House

¹¹ *Toward a Social Report*, Government Printing Office, 1969.

¹² Daniel P. Moynihan, *Maximum Feasible Misunderstanding* (New York; Macmillan, 1968), pp. 190-203.

had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4293) to provide for continuation of authority for regulation of exports.

ORDER OF BUSINESS

Mr. MUSKIE. 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. MUSKIE. 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.

EXPORT ADMINISTRATION ACT OF 1969—CONFERENCE REPORT

Mr. MUSKIE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 4293) to provide for continuation of authority for regulation of exports. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The assistant legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. MUSKIE. Mr. President, I am most happy to support the conference report on H.R. 4293. This bill is the product of many months of work by many of us who believe that the export administration procedures followed by the United States need extensive revision in order to assure that the national security of the United States is fully protected and, at the same time, to assure that American business has the opportunity to compete freely in the world marketplace.

Mr. President, I believe that the conference report achieves these two objectives. There are many changes in existing law embodied in the conference report. The existing law provides that the President shall deny an export license if an item would contribute significantly to the military or economic potential of a nation or nations threatening the national security of the United States. The existence of the economic potential criterion has caused considerable confusion and unnecessary restriction in the interpretation and application of the existing law. Obviously, virtually any export would contribute to the economic potential of a nation. But it is equally obvious that there was no intention under the existing law that all exports be prohibited to the specified nations. This confusion and uncertainty as to what the law ac-

tually means has apparently led to overly restrictive interpretation by the executive department and has also curtailed the efforts of American business to export to the specified nations because of the uncertainty of business as to what the congressional intent is in regard to these exports.

The conference report removes any reference to economic potential. This removal should alleviate the confusion and focus on the primary objective of regulating exports, which is to protect the national security.

Another major change in the existing law which is contained in the conference report is a congressional mandate concerning regulation of the export of items which are available outside the United States from nations other than those nations threatening the national security of the United States.

The bill makes clear the intent of Congress that an item which is available from certain nations, other than the United States, shall be freely exportable from the United States without licensing requirements unless overriding national security considerations still require that the item be controlled. Such decision to control should be made only after full and complete consideration has been given to the availability of this item from other sources. In such cases the Department of Commerce must report to the Congress, in the quarterly report following that decision, the reasons for requiring an export license in such detail as national security and foreign policy permit. This report should include such detail as the pertinent articles, materials, supplies, data or information; the nation or nations affected by the decision; and the reasons, subject to the specified limitations, for the decision to control the item, in spite of its availability elsewhere.

In addition to these two key provisions, the bill contains a number of provisions which represent an improvement over the existing law. The new act includes a finding that the unwarranted restriction of exports has a serious effect on the balance of payments.

It contains a finding that the uncertainty of policy toward certain exports has had the effect of curtailing the attempts of American business to export items contained in those categories. It states that this curtailment has been to the detriment of our trade balance.

Thus, the new act recognizes specifically the importance of American exports to the balance of payments of the United States, and, implicit therein, their importance to the overall financial and economic well-being of this country.

The act includes a new statement that it is the policy of the United States to encourage trade with all countries with which we have diplomatic or trading relations while, at the same time, restricting the export of goods and technology which would make a significant contribution to the military potential of certain nations which would prove detrimental to the national security. Thus, in the legislation dealing with the administration of exports, there is the ex-

press policy to encourage the flow of trade.

The act requires the Secretary of Commerce to institute such changes as are necessary to facilitate and effectuate the fullest implementation of the policy of the act with a view to promoting trade with all nations with which the United States is engaged in trade.

It also requires the Department of Commerce to review its control lists with a view to make promptly any changes and revisions as may be necessary in furtherance of the policy of the act. The Department is required to report its actions in this regard to Congress on a regular basis.

The act requires the Department of Commerce to keep the business sector of our economy advised of the changes in export control policy and procedures instituted by it in conformity with the act with a view to encouraging the widest possible trade.

The act also requires the President to seek the information and advice from private industry in regard to the export policies and procedures utilized by him.

The act requires that it be administered in such a manner so as to reduce the cost of recordkeeping and export documentation requirements that are required of American business. A periodic review of these requirements must be made and Congress must be kept up to date on what the administration is doing in this respect.

It establishes a new procedure whereby exporters may be kept fully advised of the status of their license applications along with pertinent factors which may affect their application.

Mr. President, I have given a brief summary of the innovations contained in this act. There is certainly no way for us to know the precise effect this act will have on American business. However, I am confident that if the act is administered in a manner which implements the policies and objectives sought by those of us who have spent a great deal of time on it that there will be a substantial increase in the efforts of American business to enter the world market and there will be a substantial increase in the exports from the United States.

Mr. President, at this time, I wish to express my appreciation to the distinguished Senator from Minnesota (Mr. MONDALE), who was the principal architect of this new policy in the Senate, and to my distinguished colleague, the Senator from Utah (Mr. BENNETT) for his cooperation in making possible a compromise of these difficult issues at literally the last moment in this session.

Any mention of the success of the compromise which has been worked out would be incomplete without reference to the untiring efforts of the distinguished Senator from Massachusetts (Mr. BROOKE). He truly has been the key figure in working out this compromise with the administration. For those of us on this side of the aisle, as well as those on the other end of the Capitol, I wish to express my very deep appreciation to him for his efforts.

Mr. BENNETT. Mr. President, I appreciate the kind things my friend the Senator from Maine has said about my participation in this activity; and I was delighted to have him add an expression of appreciation to the Senator from Massachusetts (Mr. BROOKE), because during the last few hours in which this final solution was hammered out, it was the Senator from Massachusetts and not the Senator from Utah who bore the brunt of this accomplishment.

Mr. President, I believe that it is in the best interest of this Nation that the conferees were able to reach an agreement on language for section 4(a) of the Export Administration Act. If we had not, it would have been necessary to control our exports under the Trading With the Enemy Act, and although the administration was ready to do that if necessary, it would not have been a convenient way to protect the security of the United States while still allowing exports not affecting our security.

The strong feelings on this issue are reflected in the fact that the statement of the managers of the conference for the House contains only a reference to the actual language changes from the act approved by the House and that agreed to in conference this morning. No interpretation of the language could be agreed upon by the conferees.

In the absence of such interpretation, I believe that it is necessary that one point is made clear. I have submitted two questions to the manager of the conference report for the Senate, which I will ask that he give me his understanding of the will of the conferees.

The first question is:

Is it the intent of the conferees in section 4(a) that the Department of Commerce be required to presurvey all of the thousands of items that might be subject to export in order to retain them on the export control list?

Mr. MUSKIE. My specific answer to that question is no. I should like to amplify it in this way: What the conference envisions—and I think this is true of all the Senate conferees—is an orderly transition into the new policy, embodied in this Act. What is involved is the requirement that new policies must be set in regard to more than 1,300 categories of goods. The setting of these new policies will necessarily require a period of time which is, at this time, incapable of precise determination. The act leaves the administration the flexibility it needs in regard to the time it will take to review its control lists in the light of the new availability mandate. How long this takes will be up to the administration and will depend on the vigor with which the review is undertaken by the administration. We express the hope that the administration will take the initiative and move quickly into the new policy areas.

Mr. BENNETT. I thank the Senator from Maine.

The second question is:

It is my understanding then, that under section 4(a) reporting requirements, items presently on the control list may

be retained without a report to Congress as to why they are being retained until a review is initiated as a result of a specific license application from an exporter. Is that correct?

Mr. MUSKIE. Yes. Insofar as the language of section 4(b) is concerned, the specific licensing application is one triggering action provided in the law. The receipt of license applications, and the reappraisal of the control lists to be initiated by the administration will cause the complete lists to be examined in the light of the new availability criterion. As this examination takes place, the administration will revise its control lists as it makes determinations on the question of availability. In the meantime, however, the Commerce Department will continue to have the authority to control categories now on the list.

Mr. BENNETT. I thank the Senator from Maine. I realize, of course, that section 4(a) will, before it is fully implemented, require a more or less systematic review of all the items on the control list and I assume that we in the Banking and Currency Committee can expect reports on the actions taken as a result of that continual and systematic review.

I am sure we are all in agreement as to the goal which we hope to reach. I am very happy that the differences that separated the two Houses have been worked out, even in the closing minutes of the session, so that this act which would otherwise expire on the 31st day of December can continue in force.

Mr. MUSKIE. Let me say this in addition, that the distinguished Senator from Utah has referred to the fact that no interpretation of the language of the conference report could be agreed upon by the conferees. In explanation of what the Senator has said, and it is a correct statement, the extensive negotiations we have had with representatives of the administration have led to a rather complete understanding, at least as between the Senate conferees and the administration, of what we have in mind with this legislation. So that, although it is not technically an official interpretation of the language, I think it is the kind of understanding which will make it possible to work out wise policies in this field.

I now yield to the Senator from Minnesota (Mr. MONDALE).

Mr. MONDALE. Mr. President, may I express my deep appreciation and admiration to the distinguished Senator from Maine (Mr. MUSKIE) for his gifted contribution to the measure which we are about to adopt today.

This is the first significant trade liberalization measure passed by Congress since the end of World War II.

It is important by virtue of its own terms. But it may be that its symbolism is even more important, because, for years, deeply patriotic U.S. businessmen, seeking to sell peaceful, nonstrategic items to Eastern Europe have been subject to the charge that there is something wrong with their patriotism, even though they knew that such efforts were in this Nation's best interests, and even

though they knew that to restrict such trade would be self-defeating for the United States, because increasingly other nations in Western Europe, as well as Japan and other free world countries, were producing identical items and it was no longer a question of denying something to the nations of Eastern Europe but a question of U.S. businessmen being permitted to participate and compete with them.

Thus, I think this act today should encourage not alone the Government in its administration of the act, and of other acts that bear upon East-West trade, but should be further support for U.S. businessmen in seeking to find and expand markets in Eastern Europe in the peaceful, nonstrategic trade categories.

Repeatedly, throughout this act, we have declared it to be the policy of the United States to support such a movement on the part of U.S. businessmen.

Second, I think that this act is important, in that it finally brings into focus the point I have referred to earlier, the most absurd feature of the operation of the present Export Control Act. Under the present act over 1,300 items or categories of goods are freely available elsewhere in the world but we unilaterally prevent our own businessmen from selling them in Eastern Europe, even though we deny nothing to these nations.

The heart of the legislation is directed at that patent absurdity and asks the executive branch, particularly the Department of Commerce, quickly to review those areas in which this condition continues to exist, and to the extent that the Nation's national security permits, to decontrol those items as quickly as possible.

I am hopeful—and I understand that the Department of Commerce now supports this measure—that it will follow through in the full spirit and intent of this measure.

Finally, this proposal calls for more open and public administration of the act. The present legislation was passed in 1949 during the darkest days of the cold war, and during the worst days of Stalin. Its operation was from that time on, a dark and closely kept secret. How the Export Control Act was administered, on what basis it would grant or deny licenses on what basis it would delay, and on what basis the Export Control Office would consult or not consult with businessmen, or the Congress—it was almost as though it were a Secret Service-CIA operation, beyond the legitimate right of anyone to know or to understand.

The pending legislation asks that it now become a public operation to the fullest extent the Nation's security permits, and asks for the first time that U.S. businessmen be widely advised and be widely permitted to consult with the Department of Commerce on general policy on the administration of the Export Control Act; but more specifically, in one of its sections, it asks that the particular applicant for an export control license be informed at every stage of the application process as to precisely what it is that

bears upon the granting or the denial of that license, it provides a fair hearing and it would inform each exporter of the reasons for the denial, if an application is denied.

This measure seeks to aid the business community in achieving the objective of expanded East-West trade, and asks that it become a public operation. It requires that those who deal with the agency be freely and honestly dealt with. In the same way, it seeks that same sort of relationship between Congress and the Department of Commerce, by asking that we be given full and detailed reports, to permit Congress in cooperation with the executive branch to achieve the objective of this legislation.

This I regard to be a terribly important first step to a healthy reform of trade policies in nonstrategic goods to Eastern Europe.

I hope that we may quickly adopt reforms in export-import financing policies as well. I remind the Senate that every industrialized country in the world has a bank like the Eximbank which extends credit or loans to their businessmen to do business around the world. Ours is the only bank which is prevented by law from any participation at all in assisting U.S. business in nonstrategic items in eastern Europe, except for Yugoslavia.

This is something we could not deal with in this legislation, but I hope we may deal with in the near future.

Finally, we must have reform of most-favored-nation treatment for most eastern European countries. I was pleased to read the other day that the President has recommended expanding trade opportunities with China. I see present on the floor the Senator from Washington (Mr. MAGNUSON), who has been 12 years ahead of us in proposing expanded trade with China. Yet, in spite of the proposed new initiatives with China—with which I agree—we seem intent on restricting trade, for example, with Rumania. One of the ways we restrict that trade is by refusing Rumania most-favored-nation treatment, on grounds which are difficult to understand.

So I hope, in addition to Ex-Im reform, we can take those long overdue steps in the extension of the most-favored-nation treatment to many nations of eastern Europe as well.

Let me conclude by again renewing my expression of deep appreciation to the distinguished Senator from Maine for his inspired and creative support in this effort.

Mr. MUSKIE. I thank the Senator from Minnesota and compliment him again for his very real and effective leadership in connection with this legislation. I am sure it is clear that the legislative history and discussion of the merits which he has just put into the record, is a reflection of the knowledge and background and ability he brings to this field.

I would like now to yield to my good friend from Massachusetts, who has been such a key figure in working out the compromise at this last moment.

Mr. BROOKE. I thank the Senator

from Maine. I certainly want to thank him for his very kind and generous references to my participation in this legislation. I also want to thank my distinguished colleague from Utah (Mr. BENNETT), for his usual, selfless manner in making these very kind remarks.

I have nothing but the highest commendation for Senators MUSKIE, MONDALE, BENNETT, HUGHES, and other Senators who worked in the conference committee, and for members on the House side who worked so closely with us on this very important legislation.

Mr. President, it is important legislation. It enables the American businessman, at long last, to compete with the businessmen of allied nations in trading with the eastern European countries.

We have not had a truly competitive position in the past. I think this legislation puts us on parity with businessmen from allied nations. It is something that has been long in coming. I am certainly grateful that the distinguished Senator from Maine and the distinguished Senator from Minnesota have been so strong in their support of the legislation, as has been well outlined.

I shall not delay the Senate longer in repetition, but, as the Senator from Minnesota (Mr. MONDALE) said, we are now opening up negotiations with respect to trade with Communist China—the Red Chinese, so-called. I agree with Senators who have spoken on this subject. I think it has been long-coming. I agree, too, that the Senator from Washington (Mr. MAGNUSON) has been a leader in this field.

We cannot ignore 800 million Chinese people—and it may be 1 billion people—who are on earth at the present time. Sometime that has got to stop. One of the ways it must stop is to begin to trade with those people in nonstrategic items that will not jeopardize the national security. No one wants to jeopardize the national security of the United States. We have not jeopardized the national security of the United States in this piece of legislation. Let there be no doubt about that.

The measure before us represents progressive legislation in this field which has been needed for a long period of time. I hope it is just the beginning of what we are able to do. The Helsinki talks have so far proved to be fruitful. At least, the tone of them has proved to be fruitful. We have every hope that when we meet with the Soviets in Vienna and in Helsinki again, there will be more fruitful progress. Certainly, I hope these negotiations with the Soviet Union will help us thaw the cold war and reduce the fears and threats of these two powerful nations, as was helped by the nonproliferation treaty, and as we hope to achieve in the strategic arms limitation talks. I hope further good results will be forthcoming. This all ties in with what this Nation is trying to do.

President Nixon and the Commerce Department have been cooperative with regard to this legislation, for which we are all grateful.

Again, I want to thank the distin-

guished manager of the Senate conferees for all the effort he has put into this undertaking, and to thank also the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. BENNETT), and the other Senators who have made efforts in this field.

Mr. MAGNUSON. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. MAGNUSON. Mr. President, I am very pleased with this legislation, because for a long time I have been saying what the distinguished Senator from Massachusetts and the distinguished Senator from Minnesota said. I do not know what the title of the bill is going to be, but it is a tool for peace. Trade in legitimate, nonstrategic products is a bridge to help relieve tensions in the world. It is much better than diplomatic meetings, where people get together and understand one another.

As the Senator from Massachusetts pointed out, we cannot just ignore 800 million people. They are there. By 1985 it is estimated that the population of China will be 1 billion people—one-third of the world's population.

The people behind the Iron Curtain—not the governments, but the people—are eager for the things that we make. If there is to be any revolution in Russia, it will be by the women of Russia. When a husband comes home and says, "Oh, we are big Communists. We can run the world," the wife says, "if you are so good, why can't I get a decent pair of shoes or a better electric iron or a better refrigerator?"

I think there is a revolution going on on the part of people who have legitimate needs. The one country in the world to help furnish those needs is the United States, and in the meantime we will create a lot of good will.

Mr. MUSKIE. Mr. President, I thank the distinguished Senator from Washington.

I am not going to detain the Senate long. My distinguished colleagues from Minnesota (Mr. MONDALE), from Massachusetts (Mr. BROOKE), and from Washington (Mr. MAGNUSON) have expressed hopes that I trust may be advanced at least a little by this legislation. At least, they have spelled out its motivation.

I would like to take this opportunity to compliment the President upon the initiatives he has taken. They are very small initial initiatives with respect to trade with Red China. I was delighted that he should have taken those initiatives at a time when we were in negotiation over this legislation. I think the steps which he took encouraged us to believe that he and we were really moving, and intended to move, in the same direction.

There are long and difficult days and years ahead of us. There will be many frustrating negotiations, contacts, and talks with the Soviet Union. But I think in the long run, unless we can move in the directions indicated in this legislation, we cannot hope to move at all in the direction of peace.

Mr. President, at this time I want to

pay tribute to the staff of the Banking and Currency Committee, particularly Hugh Smith, assistant counsel, to the committee, and Tim Naegele, assistant minority counsel, and to Jean Dubofsky and Duane Scribner, both formerly of Senator MONDALE's staff, and to Jane Fenderson of my staff for their long hours of extremely effective staff work on this bill.

So, Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The ACTING PRESIDENT pro tempore. What is the will of the Senate?

TRIBUTE TO THE MAJORITY LEADER

Mr. KENNEDY. Mr. President, earlier this morning, at the opening of the Senate, the majority leader, in a very concise and significant way, detailed some of the achievements and accomplishments of this session. I think it is only appropriate, Mr. President, for us, as we reach the final hours of this session, to recognize as well, the extraordinary leadership that he has provided in a number and variety of different ways, on different measures which have been before this body during the period of the last 12 months.

I would say, first of all, that he has shown an extraordinary amount of patience and understanding to all of the Members of this body, but an added measure to his new assistant leader; and despite the pressures of his office and the weight of the responsibility he has carried, he has made the time to help me better assist him. I consider myself most fortunate to know MIKE MANSFIELD, to work with him and learn from him, and to count him as a friend.

It is, I think, very appropriate to highlight some of the legislative areas which he did not mention, and in which I think he did play a very important and significant role. I think, first of all, of the great trust that was placed in the majority leader by our distinguished President earlier this year, when he asked him to travel to Southeast Asia and embark on a mission of great importance and substance in terms of evaluating our policy in that part of the world. I think everyone in this body, as all Americans, realizes that when the majority leader travels, he travels not as a Democrat or even as a Senator from a great State, but as one who has an extraordinary background and experience in the role and the problems of Southeast Asia, as a scholar, as a man, and as a national leader. I think all those concerned about our Nation's policies in that area felt much better after he reported to the President and the Senate about the problems of our involvement in Southeast Asia. He made some most useful and significant contributions, I felt, toward the development of the President's foreign policy as was enunciated in the declaration of Guam.

His trip through Southeast Asia this

year was perhaps more important than most Americans will ever realize. There is no partisanship to this man when he goes abroad—and his counsel to presidents is as an American. We all know the esteem in which he is held by our current President and the worth that President Nixon placed on his report given at San Clemente. Eventually, it was MIKE MANSFIELD who amended the foreign aid bill to keep our involvement in Laos and Thailand under constant surveillance and control.

I think this was one of the important and useful contributions made by the majority leader during this session.

Mr. President, one of the year's most important involvements, and one of the most important debates that took place during the session, was the Senate debate on ABM. The leader, once again, was able to insure to all the Members of this body, regardless of their views, a full opportunity to expound those views, and to engage in this extremely important and even emotional, discussion and debate.

Mr. President, I have said on other occasions, as have many others, that perhaps the most important measure that passed this body this session was the tax reform bill although it does not include all the measures that many of us would like to have seen included. I can remember back to the early part of this summer, when the majority leader stood in the well and presented his position in an extremely effective way. And I think he was speaking really for many Members of the Senate, and reflecting the views of many Americans when he said that we should not have an extension of the surtax unless we were going to undertake at the same time a comprehensive tax reform bill, which the Finance Committee eventually produced as they had agreed to do. It was really through the Senator from Montana's leadership and through the exercise of his persuasive powers, in coordination with the Finance Committee, that this body received that measure on October 31, as promised. And I do think that final approval of that bill was perhaps the most important and significant achievement of the year.

Mr. President, we have also had a debate and discussion on the floor this session on the whole question of our Armed Forces in Western Europe, created principally by the introduction of a resolution which had the unanimous support of the Policy Committee, by the majority leader to express the Senate's disposition on that question.

So I think, in two important areas of foreign policy—in Southeast Asia and in Western Europe, important leadership recommendations have been made by the majority leader, and should be listened to and heeded, in this Senator's opinion.

On the most significant domestic issue, his leadership qualities were extremely important. As one who was involved in the question of draft reform, I can say that it was with the intercession of the leader who did not even support this random selection system proposal, but who felt that we ought to move on draft

reform, that we were able to pass the measure. And those of us who are most interested in more comprehensive reforms received assurances by the distinguished chairman of the Armed Services Committee that hearings will be held in the early part of this next year.

These are just some of the measures which come to my mind when I think about the achievements and the accomplishments of this Congress, when we reflect upon the accomplishments which Senator MANSFIELD talked about and about which the minority leader (Mr. SCOTT) spoke about earlier today. I do think, as we draw a close to this year, and as there have been and will be speculation as to the achievements and the accomplishments of the Senate this year, it is important to add this footnote about what I think has been the exemplary leadership which has been provided by MIKE MANSFIELD.

GRANTS TO CERTAIN SCHOOLS

Mr. YARBOROUGH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2809.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2809) to amend the Public Health Service Act so as to extend for an additional period the authority to make formula grants to schools of public health, project grants for graduate training in public health and traineeships for professional public health personnel which was to strike out all after the enacting clause and insert:

That section 309(c) of the Public Health Service Act is amended by striking out "\$5,000,000 for the fiscal year ending June 30, 1968, \$6,000,000 for the fiscal year ending June 30, 1969, and \$7,000,000 for the fiscal year ending June 30, 1970" and inserting in lieu thereof: "\$7,000,000 for the fiscal year ending June 30, 1970, \$7,000,000 for the fiscal year ending June 30, 1971, \$9,000,000 for the fiscal year ending June 30, 1972, and \$12,000,000 for the fiscal year ending June 30, 1973".

Mr. YARBOROUGH. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives to S. 2809 and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. YARBOROUGH, Mr. WILLIAMS of New Jersey, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. DOMINICK, Mr. JAVITS, Mr. MURPHY, Mr. PRUTY, and Mr. SAXBE conferees on the part of the Senate.

COMMUNITY MENTAL HEALTH CENTERS AMENDMENTS OF 1969

Mr. YARBOROUGH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2523.

The ACTING PRESIDENT pro tempore laid before the Senate the amend-

ment of the House of Representatives to the bill (S. 2523) to amend the Community Mental Health Centers Act to extend and improve the program of assistance under that Act for community mental health centers and facilities for the treatment of alcoholics and narcotic addicts, to establish programs for mental health of children, and for other purposes, which was to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Community Mental Health Centers Amendments of 1969".

TITLE I—GRANTS FOR CONSTRUCTION OF COMMUNITY MENTAL HEALTH CENTERS AND FACILITIES FOR ALCOHOLICS AND NARCOTIC ADDICTS

EXTENSION OF PROGRAM FOR COMMUNITY MENTAL HEALTH CENTERS

SEC. 101. (a) Section 201 of the Community Mental Health Centers Act (42 U.S.C. 2681) is amended by striking out the period at the end and inserting in lieu thereof a comma and the following: "and for each of the next three fiscal years."

(b) Section 207 of such Act (42 U.S.C. 2687) is amended by striking out "1970" and inserting in lieu thereof "1973".

EXTENSION OF PROGRAMS FOR FACILITIES FOR ALCOHOLICS AND NARCOTIC ADDICTS

SEC. 102. (a) Section 261(a) of such Act (42 U.S.C. 2688o) is amended by striking out "and \$25,000,000 for the next fiscal year" and inserting in lieu thereof "\$15,000,000 for the fiscal year ending June 30, 1970, \$20,000,000 for the fiscal year ending June 30, 1971, \$25,000,000 for the fiscal year ending June 30, 1972, and \$30,000,000 for the fiscal year ending June 30, 1973."

(b) Section 261(b) of such Act is amended by striking out "the next three" and inserting in lieu thereof "the next seven", and by striking out "for the fiscal year ending June 30, 1969, or the fiscal year ending June 30, 1970" and inserting in lieu thereof "for any fiscal year ending before July 1, 1973".

TRAINING AND EVALUATION OF PROGRAMS FOR ALCOHOLISM AND NARCOTIC ADDICTION

SEC. 103. (a) Part C of the Community Mental Health Centers Act is amended by redesignating sections 245 and 246 as sections 246 and 247, respectively, and by inserting after section 244 the following:

"TRAINING AND EVALUATION

"Sec. 245. The Secretary is authorized to make grants to any public or nonprofit private agency or organization to cover part or all of the cost of (1) developing specialized training programs or materials relating to the provision of public health services for the prevention and treatment of alcoholism, or developing inservice training or short-term or refresher courses with respect to the provision of such services; (2) training personnel to operate, supervise, and administer such services; and (3) conducting surveys and field trials to evaluate the adequacy of the programs for the prevention and treatment of alcoholism within the several States with a view to determining ways and means of improving, extending, and expanding such programs."

(b) Section 252 of such Act (42 U.S.C. 2688i) is amended by striking out "1970" and inserting in lieu thereof "1973".

(c) The first sentence of section 261(a) of the Community Mental Health Centers Act (42 U.S.C. 2688o) is amended by striking out "section 252" and inserting in lieu thereof "sections 245 and 252".

TITLE II—GRANTS FOR STAFFING OF COMMUNITY MENTAL HEALTH CENTERS AND FACILITIES FOR ALCOHOLICS AND NARCOTIC ADDICTS

FEDERAL SHARE

SEC. 201. (a) (1) Effective with respect to costs of compensation of professional and technical personnel of any community mental health center for any period after June 30, 1970, for which a grant has been or is made under subsection (a) of section 220 of the Community Mental Health Centers Act (42 U.S.C. 2688), subsection (b) of such section is amended to read as follows:

"(b) (1) Except as provided in paragraph (2), grants under this section for such costs for any center may be made only for the period beginning with the first day of the first month for which such a grant is made and ending with the close of six years and three months after such first day; and such grants with respect to any center may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following such first day, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third, fourth, and fifth years thereafter.

"(2) In the case of any such center providing services for persons in an area designated by the Secretary as an urban or rural poverty area, grants under this part for such costs for any such center may be made only for the period beginning with the first day of the first month for which such a grant is made and ending with the close of six years after such first day; and such grants with respect to any such center may not exceed 90 per centum of such costs for the first two years after such first day, 80 per centum of such costs for the third year after such first day, and 70 per centum of such costs for the fourth, fifth, and sixth years after such first day."

(2) Effective with respect to costs of compensation of professional and technical personnel of any alcoholism prevention and treatment facility, specialized facility for alcoholics, or treatment facility for narcotic addicts for any period after June 30, 1970, for which a grant has been or is made under section 242, 243, or 251 of the Community Mental Health Centers Act (42 U.S.C. 2688g, 2688h, 2688k), subsection (b) of section 242 of such Act is amended to read as follows:

"(b) (1) Grants under this part for such costs for any facility may be made only for the period beginning with the first day of the first month for which such a grant is made and ending with the close of six years after such first day; and, except as provided in paragraph (2), such grants with respect to any facility may not exceed 80 per centum of such costs for the first two years after such first day, 75 per centum of such costs for the third year after such first day, 60 per centum of such costs for the fourth year after such first day, 45 per centum of such costs for the fifth year after such first day, and 30 per centum of such costs for the sixth year after such first day.

"(2) In the case of any such facility providing services for persons in an area designated by the Secretary as an urban or rural poverty area, such grants with respect to any such facility may not exceed 90 per centum of such costs for the first two years after such first day, 80 per centum of such costs for the third year after such first day, and 70 per centum of such costs for the fourth, fifth, and sixth years after such first day.

(b) In the case of any community mental health center, alcoholism prevention and treatment facility, specialized facility for alcoholics, or treatment facility for narcotic

addicts, for which a staffing grant was made under section 220, 242, 243, or 251 of the Community Mental Health Centers Act before July 1, 1970, the applicable provisions of subsection (b) of section 220 or 242 of such Act (as amended by subsection (a) of this section) shall, with respect to costs incurred after June 30, 1970, apply to the same extent as if such subsection (b) had been in effect on the date a staffing grant for such center or facility was initially made.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) The first sentence of section 224 of such Act (42 U.S.C. 2688d) is amended by striking out "and \$32,000,000 for the fiscal year ending June 30, 1970" and inserting in lieu thereof "\$26,000,000 for the fiscal year ending June 30, 1970, \$32,000,000 for the fiscal year ending June 30, 1971, \$40,000,000 for the fiscal year ending June 30, 1972, and \$48,000,000 for the fiscal year ending June 30, 1973".

(b) The last sentence of such section 224 is amended by striking out "seven" and inserting in lieu thereof "twelve".

(c) Section 221(b) of such Act (42 U.S.C. 2688a) is amended by striking out "1970" each place it appears therein and inserting in lieu thereof "1973".

REVIEW OF APPLICATIONS BY STATE MENTAL HEALTH AUTHORITY AND HEALTH PLANNING AGENCIES

SEC. 203. (a) Effective with respect to projects approved under sections 220 and 242 of the Community Mental Health Centers Act (42 U.S.C. 2688, 2688g) after June 30, 1970, section 221(a) of such Act (42 U.S.C. 2688a) is amended by adding immediately below paragraph (5) of the first sentence the following new sentence: "No application for a grant under section 220 shall be approved unless opportunity has been provided, prior to such approval, for consideration of the project by the State mental health authority, by any public or nonprofit private agency or organization which has developed the comprehensive regional, metropolitan area, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act covering the area in which the project is to be located, and by the State agency administering or supervising the administration of the State plan approved under section 314(a) of such Act."

(b) Effective with respect to projects approved under sections 243 and 251 of such Act (42 U.S.C. 2688h, 2688k) after June 30, 1970, subsection (c) of section 243 of such Act (42 U.S.C. 2688h) and subsection (c) of section 251 of such Act (42 U.S.C. 2688k) are amended by adding at the end of each subsection the following: "No application for a grant under this section shall be approved unless opportunity has been provided, prior to such approval, for consideration of the project by the State mental health authority, by any public or nonprofit private agency or organization which has developed the comprehensive regional, metropolitan area, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act covering the area in which the project is to be located, and by the State agency administering or supervising the administration of the State plan approved under section 314(a) of such Act."

GRANTS FOR CONSULTATION SERVICES

SEC. 204. Part E of the Community Mental Health Centers Act is amended by adding at the end thereof the following new section:

"Sec. 264. (a) In the case of any community mental health center, alcoholism prevention and treatment facility, specialized facility for alcoholics, treatment facility for narcotic addicts, or facility for mental health

of children, to which a grant under part B, C, D, or F, as the case may be, is made from appropriations for any fiscal year beginning after June 30, 1970, to assist it in meeting a portion of the costs of compensation of professional and technical personnel providing consultation services, the Secretary may, with respect to such center or facility, make a grant under this section in addition to such other staffing grant for such center or facility.

"(b) A grant under subsection (a) with respect to a center or facility referred to in that subsection—

"(1) may be made only for the period applicable to the staffing grant made under part B, C, D, or F, as the case may be, with respect to such facility, and

"(2) may not exceed whichever of the following is the lower: (A) 15 per centum of the costs with respect to which such other staffing grant is made, or (B) that percentage of such costs which when added to the percentage of such costs covered by such other staffing grant equals 100 per centum.

"(c) For purposes of making initial grants under this section, there are authorized to be appropriated \$5,000,000 for each of the fiscal years ending June 30, 1971, June 30, 1972, and June 30, 1973. There are also authorized to be appropriated for the fiscal year ending June 30, 1972, and for each of the next seven fiscal years such sums as may be necessary to continue to make grants under this section for projects which received initial grants under this section from appropriations authorized for any fiscal year ending before July 1, 1975.

APPROVAL BY NATIONAL ADVISORY MENTAL HEALTH COUNCIL

SEC. 205. (a) Part E of the Community Mental Health Centers Act is amended by adding after the section added by section 204 the following new section:

"APPROVAL BY NATIONAL ADVISORY MENTAL HEALTH COUNCIL

"SEC. 265. Grants made under this title for the cost of compensation of professional and technical personnel may be made only upon recommendation of the National Advisory Mental Health Council established by section 217(a) of the Public Health Service Act."

(b) The amendment made by subsection (a) shall apply with respect to grants initially made under the Community Mental Health Centers Act from appropriations made for fiscal years beginning after June 30, 1970.

INITIATION AND DEVELOPMENT GRANTS

SEC. 206. Effective with respect to appropriations made under section 224 of the Community Mental Health Centers Act (42 U.S.C. 2688d) for fiscal years beginning after June 30, 1970, part B of such Act is amended by adding after such section 224 the following new section:

"GRANTS FOR INITIATION AND DEVELOPMENT OF COMMUNITY MENTAL HEALTH CENTERS

"SEC. 225. For the purposes of assessing local mental health needs, developing necessary resources, and involving local citizens in the development of mental health programs, up to a maximum of 5 per centum of the appropriation for each fiscal year under section 224 shall be available to the Secretary for grants to local public or nonprofit private agencies or organizations to cover up to 100 per centum of the costs, but in no case to exceed \$50,000, for initiation and development of a program for delivery of community mental health center services, for one year only running from the first day of the first month for which such a grant is made with respect to such a local public or private nonprofit agency or organization."

TITLE III—AMENDMENTS RELATING TO COMMUNITY MENTAL HEALTH CENTERS AND FACILITIES FOR THE MENTALLY RETARDED, ALCOHOLICS, AND NARCOTIC ADDICTS

FEDERAL SHARE; HIGHER SHARE FOR DISADVANTAGED AREAS

SEC. 301. Effective with respect to projects approved after June 30, 1970, under part C of title I or part A of title II of the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, section 402 of such Act (42 U.S.C. 2692) is repealed and section 401(h) of such Act is amended to read as follows:

"(h) (1) The term 'Federal share' with respect to any project means the portion of the cost of construction of such project to be paid by the Federal Government under part C of title I or part A of title II.

"(2) The Federal share with respect to any project in the State shall be the amount determined by the State agency designated in the State plan but, except as provided in paragraph (3), the Federal share for any project may not exceed 66 $\frac{2}{3}$ per centum of the cost of construction of such project or the State's Federal percentage, whichever is the lower. Prior to the approval of the first such project in the State during any fiscal year, such State agency shall give the Secretary written notification of the maximum Federal share established pursuant to this paragraph for such projects in such State to be approved by the Secretary during such fiscal year and the method for determining the actual Federal share to be paid with respect to such projects; and such maximum Federal share and such method of determination for such projects in such State approved during such fiscal year shall not be changed after the approval of the first such project in the State during such fiscal year.

"(3) In the case of any facility or center which provides or will, upon completion of the project for which application has been made under part C of title I or under part A of title II, provide services for persons in an area designated by the Secretary as an urban or rural poverty area, the maximum Federal share determined under paragraph (2) may not exceed 90 per centum of the costs of construction of the project."

PERIOD FOR PROMULGATING FEDERAL PERCENTAGES

SEC. 302. Section 401(j) (1) of such Act is amended by striking out "August 31" and inserting in lieu thereof "September 30".

MAXIMUM FEDERAL SHARE OF CONSTRUCTION PROJECTS FOR FACILITIES FOR ALCOHOLICS OR NARCOTIC ADDICTS IN DISADVANTAGED AREAS

SEC. 303. Effective with respect to projects approved after June 30, 1970, under part C or part D of the Community Mental Health Centers Act, section 241(b) of such Act (42 U.S.C. 2688f), section 243(d) of such Act (42 U.S.C. 2688h), and section 251(b) of such Act (42 U.S.C. 2688k) are each amended by inserting immediately after "66 $\frac{2}{3}$ per centum" the following: "(or 90 per centum in the case of a facility providing services for persons in an area designated by the Secretary as an urban or rural poverty area)"

TITLE IV—MENTAL HEALTH OF CHILDREN

CONSTRUCTION AND STAFFING OF TREATMENT FACILITIES

SEC. 401. The Community Mental Health Centers Act is amended by adding after part E of the following:

"PART F—MENTAL HEALTH OF CHILDREN

"GRANTS FOR TREATMENT FACILITIES

"SEC. 271. (a) Grants from appropriations under subsection (d) may be made by the

Secretary to any public or nonprofit private agency or organization which owns or operates a community mental health center to assist such agency or organization in meeting the costs of construction of a facility for mental health of children within the States, and to assist such an agency or organization in meeting a portion of the costs (determined pursuant to regulations of the Secretary) of compensation of professional and technical personnel for the operation of a facility for mental health of children constructed with a grant made under part A or this part or for the operation of new services in an existing facility for mental health of children.

"(b) (1) No grant may be made under this section for the construction of a facility for mental health of children unless such facility will be part of or affiliated with the community mental health center owned or operated by the agency or organization receiving the grant.

"(2) The grant program for construction of facilities authorized by subsection (a) shall be carried out consistently with the grant program under part A, except that the amount of any such grant with respect to any project shall be such percentage of the cost thereof, but not in excess of 66 $\frac{2}{3}$ per centum (or 90 per centum in the case of a facility providing services for persons in an area designated by the Secretary as an urban or rural poverty area), as the Secretary may determine.

"(c) (1) No application for a grant under this part for the costs of compensation of professional and technical personnel shall be approved unless opportunity has been provided, prior to such approval, for consideration of the project by the State mental health authority, by any public or nonprofit private agency or organization which has developed the comprehensive regional, metropolitan area, or other local area plan or plans referred to in section 314(b) of the Public Health Service Act covering the area in which the project is to be located, and by the State agency administering or supervising the administration of the State plan approved under section 314(a) of such Act.

"(2) Grants made under this section for such costs may not exceed the percentages of such costs, and may be made only for the periods, prescribed for grants for such costs under section 242.

"(d) (1) There are authorized to be appropriated \$6,000,000 for the fiscal year ending June 30, 1971, \$10,000,000 for the fiscal year ending June 30, 1972, and \$15,000,000 for the fiscal year ending June 30, 1973, for grants under this part for construction, for initial grants under this part for compensation of professional and technical personnel, and for training and evaluation grants under section 272.

"(2) There are also authorized to be appropriated for the fiscal year ending June 30, 1972, and each of the next six fiscal years such sums as may be necessary to continue to make grants with respect to any project under this part for which an initial staffing grant was made from appropriations under paragraph (1) for any fiscal year ending before July 1, 1973.

"TRAINING AND EVALUATION

"SEC. 272. The Secretary is authorized, during the period beginning July 1, 1971, and ending with the close of June 30, 1973 to make grants to public or nonprofit private agencies or organizations to cover part or all of the cost of (1) developing specialized training programs or materials relating to the provision of services for the mental health of children, or developing inservice training or short-term or refresher courses with respect to the provision of such services; (2) training personnel to operate, su-

persive, and administer such services; and (3) conducting surveys and field trials to evaluate the adequacy of the programs for the mental health of children within the several States with a view to determining ways and means of improving, extending, and expanding such programs."

Mr. YARBOROUGH. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives to S. 2523 and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed 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 conferees on the part of the Senate.

TRIBUTE TO LEADERSHIP

Mr. YARBOROUGH. Mr. President, I commend the distinguished majority leader and the majority whip for their work in this session of the Congress. I shall not take time now to talk about the Committee on Labor and Public Welfare, in which the distinguished occupant of the chair, the Senator from Iowa (Mr. HUGHES), played an important part. We have a list of page after page of bills acted upon in our committee that have passed both Houses of the Congress and been signed into law by the President. Some have passed one House and have been approved by the committee and have not yet been acted upon by the Senate.

The legislative session has lasted a long time. However, without that long a time, not as much work could have been accomplished.

THE TAX BILL—H.R. 13270

Mr. YARBOROUGH. Mr. President, on December 22, 1969, Congress passed the most comprehensive tax reform bill in recent history. It is no accident that this bill came to Congress this year. On the contrary, the tax bill is the result of two important factors: First, the demand by the vast majority of Americans for a restoration of equality to our tax laws, and second, the courage, determination, and leadership of the distinguished majority leader, Senator MANSFIELD, the distinguished chairman of the Finance Committee, Senator LONG, the distinguished chairman of the House Ways and Means Committee, Congressman MILLS, in producing this bill despite the obstacles which were erected by the administration and by other sources.

In particular, I wish to commend Senator LONG and Congressman MILLS and the other conferees from both Houses for their diligence and hard work in working out the differences between the House and Senate version of this bill. They worked day and night on this bill and I am sure every Member of Congress joins me in thanking them for their efforts.

None of us can truthfully say that

H.R. 13270 is a perfect bill. No piece of legislation which touches so many facets of American life as does H.R. 13270 will ever satisfy everyone or every interest. History will judge the merits of H.R. 13270 and the Congress that wrote and passed it by whether or not it meets the needs of the average American taxpayer. In this respect, the tax bill contains several important measures which will directly benefit the average American taxpayer who has been neglected by our tax laws for so long.

The first of these measures is the acceptance by both Houses of Congress of the Gore-Yarborough amendment to increase the personal exemption. No other provision in this complex bill means more to the average taxpayer than this one. The personal exemption has not been raised since its enactment in 1948. The present personal exemption of \$600 cannot be justified on either economic or moral grounds.

I have worked for over 12 years to increase the personal exemption to a figure that is in line with the ever-increasing cost of living. In this Congress, I introduced a bill to increase the personal exemption from \$600 to \$1,200. Later when the tax bill came to the Senate, I reintroduced my bill as an amendment to it. Throughout my fight for an increase in the personal exemption, the distinguished senior Senator from Tennessee has been an invaluable ally and the leader. This year Senator GORE brought the issue of the personal exemption to the floor of the Senate and was successful in obtaining the increase included in H.R. 13270. I am proud to have been a part of this fight and to have worked with Senator GORE on this important matter.

I am also pleased that in conference the House accepted the theory of the Gore-Yarborough amendment, although the rates were modified in conference. As passed by Congress, the tax bill would increase the personal exemption in the following manner. The personal exemption will be increased to \$625 for 1970, to \$650 for 1971, to \$700 for 1972 and to \$750 for 1973. In addition to the increase in the personal exemption, the personal deduction is increased from 10 percent with a \$1,000 ceiling to 15 percent with a \$2,000 ceiling over a 3-year period. Furthermore, the bill provides for a low-income allowance of \$1,100 which will be reduced to \$1,000 in 1972. This low-income allowance will take millions of poor and near-poor citizens off the tax rolls.

The acceptance by Congress of the Gore-Yarborough amendment marks the first significant step toward real tax relief for the low- and middle-income taxpayers in nearly 20 years. Again, I wish to join with millions of Americans in thanking Senator GORE for his leadership in this fight.

The tax bill is also important because of the 15-percent increase in social security benefits. This increase has been needed for many years by our Nation's senior citizens who are compelled to face the perils of inflation on small fixed income. I have supported this increase in

the social security and I am pleased that the House agreed to it.

I am particularly glad that in accepting the increase in social security, both Houses of Congress accepted the intent and purpose of the Harris-Yarborough amendment which provides that no State can reduce welfare payments as a result of the increase in social security benefits. Thus, under this provision, those members of our society who are drawing welfare will not be deprived of the increase in social security benefits.

I deeply regret that the conferees did not accept the amendment introduced by the distinguished minority leader and myself to allow private foundations to support nonpartisan voter registration projects. The Yarborough-Scott amendment which was accepted by the Senate by a substantial majority was a well-reasoned amendment designed to encourage legitimate voter activities while curbing abuses that have occurred under the present law. Unfortunately, the conferees adopted the much more restrictive provisions of the House version of the bill, particularly the unreasonable and unnecessary requirement that the voter activities be conducted in five or more States. I fear that by substituting the House provisions Congress has severely crippled attempts to increase voter participation in America.

The people of the United States presented Congress with a clear challenge—reform our tax laws and redistribute the Nation's tax burden. In passing this historic tax bill, Congress has demonstrated to the people that it is conscious of their concern and needs and will respond to them. The tax bill contains a healthy balance between fiscal responsibility and relief for our overtaxed low- and middle-income taxpayers. Thus, Congress has answered the people's challenge.

TRIBUTES TO THE LEADERSHIP

Mr. METCALF. Mr. President, I was proud and thrilled a few minutes ago when the senior Senator from Massachusetts (Mr. KENNEDY) talked about my distinguished colleague, the majority leader.

I know that all Montanans are proud of Senator MANSFIELD; proud of his accomplishment, and proud of the recognition he has received.

We have had, as every State, a distinguished litany of outstanding Senators from Montana. Yet, I think that when the historians write about the present distinguished senior Senator from Montana and our former distinguished Senators, including the great Senator Walsh, they will recognize that our present majority leader is the greatest of them all.

This very decent guy, this outstanding Senator is a fine leader and at the same time is most generous and tolerant.

Mr. President, while I am on my feet, I also want to pay tribute to the other Members of the Democratic leadership, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from West Virginia (Mr. BYRD).

They have been tremendously inde-

fatigable in their efforts on the floor and in their work with other Senators and with the committees.

I am certainly grateful for all of the activities in which they have engaged and for the leadership they have demonstrated.

I am also proud that I am able to serve in the Senate with the two leaders of the minority party, with whom I served in the House of Representatives before they came to the Senate.

They, too, have been most generous.

I asked for the floor at this time to direct the attention of the Senator from Massachusetts to a matter of importance to him as chairman of the Administrative Practice and Procedure Subcommittee of the Committee on the Judiciary.

We Montanans are close to the Administrative Practice and Procedure Subcommittee.

It was a Montanan who was the father of the Administrative Procedure Act. He was Mr. Carl McFarland, who, with Homer Cummings, wrote the definitive book on Federal Justice and won an award from the American Bar Association for his activities in putting through the Administrative Procedure Act.

We would like to see that act carried out.

In November, Secretary Hickel overruled a decision of former Secretary Udall and decided that the previously ordered increase in grazing fees would not go into effect. Mr. Hickel's proposal was published in the Federal Register of December 4, 1969.

We have little, if any, of the information on which Mr. Hickel based his decision. Early in the session, before the new administration came in, Secretary Udall, after hearings before the Senate Committee on Interior and Insular Affairs and the House Committee on the Interior, ordered an increase in grazing fees over a 10-year period from 33 cents per animal unit to about \$1.25 an animal unit.

The difference between the 33 cents and the \$1.25 is the amount we are subsidizing many stockmen who graze cattle on our public land.

Subsequent to Secretary Hickel's notice of proposed rulemaking in the Federal Register, I asked him for the reports on which he based his ruling that the previous decision would be set aside.

I have already read into the RECORD a report of the U.S. Forest Service and the U.S. Bureau of Land Management, the two agencies most concerned, recommending that the grazing fees be increased.

On behalf of the conservationists in my State and the other multiple users, I tried to find the basis Secretary Hickel has used for his new decision. The public has until January 4 to comment. By that time, Congress will be out of session.

It seems to me that there has been an abuse of the administrative process when a Cabinet officer denies to the people access to the information upon which he bases a decision.

I ask the Senator from Massachusetts, as the chairman of that subcommittee,

to direct his staff to look into this matter to ascertain if there has been an abuse of the Administrative Procedure Act.

Mr. KENNEDY. Mr. President, I commend the distinguished Senator for bringing this matter to my attention. What the Senator from Montana has stated this afternoon will be of great interest to the members of the committee and to the staff, and I will be more than delighted to look into the procedures employed by the Secretary of the Interior in drafting these regulations.

As the Senator from Montana realizes, the people of this country sometimes express reservations toward their large Government in Washington, D.C. They feel that the Government is often not interested or concerned about their welfare and their well-being, and that it seems somewhat remote to them. I believe it is important that people who have an interest in rules and regulations—and who will be directly affected by the rules and regulations formulated by any of the administrative agencies—should be accorded the opportunity to have their views, their ideas, and their concerns fully examined in a hearing.

I do not know how we can expect those who would be affected by a rule or regulation of the Interior Department to have any degree of confidence in it if they are denied the opportunity to express their views, their interests, and their concerns to the Department.

Whenever any regulatory agency or executive department drafts rules or regulations affecting great numbers of people, or even just a few people—affecting their lives, their well-being, their economies, often their whole future—we should make the greatest possible effort to give them a full and open hearing and to listen to their views. Too often in the past this has not been done. We surely have a considerable responsibility to insure that individuals have their views heard and their rights protected.

So I wish to express my appreciation to the Senator from Montana for bringing this matter to our attention. It reaches the basic questions of equities, and of the proper role of the Federal Government in providing public lands for private uses.

In view of what the Senator has mentioned—and these are the only facts I have—I think it has been most worthwhile to bring this matter up. I will have the subcommittee staff look into this matter and report to the Senator from Montana in the early part of next year.

Mr. METCALF. I am very grateful to the Senator from Massachusetts. I will work with anyone the Senator from Massachusetts designates and will supply all the information I have.

I emphasize that this is a matter of national concern. This is public land. This is recreation land which people from Massachusetts visit every summer. This is recreation land on which the people of Washington ski every winter.

The multiple users are concerned about a single special use of public land. This

is a matter of national interest and national concern.

Mr. KENNEDY. As I understand, the increased resources that would be obtained from this land, in making it of equal rental value with private lands, would be used to strengthen the county school systems as well as to improve the roads in rural America. So, once again, we find that it affects the taxpayers of every State—of Massachusetts as well as those in the West—in terms of resources which should be used to support school systems.

Mr. METCALF. The Senator is correct. I thank the Senator.

Mr. KENNEDY. I thank the Senator from Montana.

AUTHORIZATION OF APPROPRIATIONS FOR EXPENSES OF THE OFFICE OF INTERGOVERNMENTAL RELATIONS

Mr. KENNEDY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S.J. Res. 117.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the joint resolution (S.J. Res. 117) to authorize appropriations for expenses of the Office of Intergovernmental Relations, and for other purposes, which was to strike out all after the resolving clause and insert:

That there is hereby authorized to be appropriated such sums as may be necessary for expenses of the Office of Intergovernmental Relations (referred to hereafter as the "Office"), established by Executive Order Numbered 11455 of February 14, 1969.

SEC. 2. The Director of the Office shall be compensated at a rate of basic compensation not to exceed the rate now or hereafter provided for level IV of the Federal Executive Salary Schedule.

SEC. 3. The Director of the Office is authorized—

(1) to appoint such personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive services; and

(2) to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate now or hereafter provided for GS-18.

Mr. GRIFFIN. Mr. President, may I inquire of the distinguished assistant majority leader—it is my understanding this matter has been cleared with the minority of the committee. Is that correct?

Mr. KENNEDY. That is correct.

Mr. President, I move that the Senate concur in the amendment of the House. The motion was agreed to.

TWO SEPARATE SESSIONS OF CONGRESS AND ESTABLISHING THE CALENDAR YEAR AS THE FISCAL YEAR

Mr. MAGNUSON. Mr. President, I ask unanimous consent to place in the RECORD at this point a letter sent this morning to the distinguished Senator from

North Carolina (Mr. JORDAN), chairman of the Senate Rules and Administration Committee.

This letter was signed by an additional nine Senators, not cosponsors of S. 3113, asking for action on this vital issue. Thus over 50 Senators have indicated a desire for some affirmative action and I am sure the able Senator from North Carolina will give us every consideration.

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

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

HON. B. EVERETT JORDAN,
Chairman, Senate Committee on Rules and Administration.

DEAR SENATOR: Recently I introduced a bill, S. 3113, providing for two separate sessions of Congress each year to allow separate consideration of legislative and fiscal matters. S. 3113 would also establish the calendar year as the fiscal year—thus giving us more time to consider authorizations before final consideration of appropriation bills. Every Senator is aware of the many problems we have with the present system requiring the passage of authorization bills before appropriation bills.

My primary concern is the effectiveness of our present rules and procedures. This year we are running almost six months behind in passing most appropriation bills. In this regard, I would be hopeful that hearings could be held by your Committee in February or March of next year to consider this and other bills aimed at reforming the rules of the Congress in these important areas.

In introducing this bill I have been joined by 40 Senators—Senators Baker, Bennett, Bible, Brooke, Byrd (W. Va.), Cannon, Case, Cook, Church, Cranston, Dodd, Dole, Eastland, Goldwater, Gravel, Harris, Hart, Hartke, Hollings, Hughes, Inouye, Jackson, Jordan (Ida.), Kennedy, McGovern, Mansfield, Metcalf, Mondale, Moss, McGee, Muskie, Nelson, Percy, Pell, Ribicoff, Scott, Spong, Stevens, Symington, Thurmond, Tydings, Williams (N.J.) and Young (Ohio), as cosponsors. Those 9 Senators signing this letter, although not co-sponsors, create a total of 53 Senators who favor action on this vital issue.

I am certain that you share the concern of those who wish to review these important rules.

Best regards,

WARREN G. MAGNUSON, U.S. Senator;
PETER H. DOMINICK, U.S. Senator; J. W. FULBRIGHT, U.S. Senator; THOMAS J. MCINTYRE, U.S. Senator; JENNINGS RANDOLPH, U.S. Senator.
QUENTIN N. BURDICK, U.S. Senator;
THOMAS F. EAGLETON, U.S. Senator;
ROMAN L. HRUSKA, U.S. Senator;
WILLIAM PROXMIER, U.S. Senator; JOHN SPARKMAN, U.S. Senator.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to place in the RECORD at this point my remarks of November 4, 1969, and a printed copy of my bill.

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

S. 3113—INTRODUCTION OF A BILL TO PROVIDE A SEPARATE SESSION OF CONGRESS EACH YEAR FOR CONSIDERATION OF APPROPRIATION BILLS AND TO ESTABLISH CALENDAR YEAR AS THE FISCAL YEAR

Mr. MAGNUSON. Mr. President, today I am reintroducing a bill which I have introduced for many years, and I must say without very much success. The bill basically provides for a separate session of Congress each year for

the consideration of appropriation bills and establishes the calendar year as the fiscal year of the U.S. Government.

Under my bill Congress would consider legislative matters from January 3 through the first Monday in November, unless the Congress has adjourned such meeting sine die prior to such first Monday. Congress, under this bill, would assemble on the second Monday of November of each year for the purpose of considering bills and resolutions making appropriations for the support of the Government. Such meetings shall terminate on December 31 of such year unless the Congress has adjourned such meeting sine die prior to such day.

Last week my distinguished colleague from Montana (Mr. MANSFIELD) mentioned this bill and said as follows on page 32109 of the RECORD:

"I should like to suggest to the Senate, Mr. President, that in view of the fact that we are becoming a year-round institution, as attested to by the fact that we agreed to a 3-week recess during August—and will very likely do so again next year—we recognize realities and shift from a fiscal year to a calendar year basis.

"I would hope, also, that if that would be given serious consideration, the idea propounded by the Senator from Washington (Mr. MAGNUSON) over the years—if not decades—could be adopted in both the House and the Senate. His proposal is that each session be divided in two, one for legislative authorization bills and the other for appropriation bills. With these proposals in operation, perhaps we could do our job a little more effectively and be able to spend the time we should on both types of measures—that is, the authorization and the appropriation bills.

"This is not a reply to the President. This is just a statement of fact. As I have said, I think that the President's letter is well merited. It is an understanding letter. But he is faced with reality, just as we in this body are. So far as the joint leadership is concerned, I think we can assure him that we will do our very best to get the appropriation bills and other proposed legislation he has requested to the floor for consideration, debate, and disposal as soon as possible."

The President of the United States has also recognized this problem and in a letter to Senator SCOTT, printed in the RECORD on page 32110, stated as follows:

"THE WHITE HOUSE,
Washington, October 28, 1969.

"HON. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

"DEAR SENATOR SCOTT: My great respect and regard for the leadership of the Congress and of the Senate and House Appropriations Committees make me extremely reluctant to send this letter.

"I must, however, call attention to an impending crisis in the handling of the Nation's financial affairs. We are already almost four months into the new fiscal year. Only the second appropriation bill has come to me for signature. Authorizing legislation still lags. For the country the situation is fast becoming intolerable.

"The Executive Branch has already begun the preparation of the 1971 budget. Under the law, this budget must be submitted in January. It must be completed, therefore, in December. But unless the Congressional pace is sharply accelerated, it is clear that many appropriation bills will not pass in time for Federal agencies to assemble the voluminous details necessary to meet the budget deadlines.

"To array and print the vast amount of technical detail required by the Congress in time to meet this schedule, Congressional action on appropriation bills must be sub-

stantially completed within the next few weeks. If this is not done, it may be impossible for me to transmit the 1971 budget in January.

"The Nation clearly has a right to question a Government which cannot conduct its financial affairs in an efficient manner. I urgently request your cooperation, therefore, in securing swift action by the Congress on the pending 1970 appropriation bills. Otherwise we will be frustrated in our efforts to move ahead efficiently on the 1971 budget.

"I write in this vein neither to criticize the Congress for delay nor to exonerate the Executive Branch for delay. At this critical point in the appropriations and budgetary process I am less interested in why we are where we are than I am in where we now seem to be headed. I am confident that you share these concerns.

"This same letter is being sent to the President of the Senate, Speaker of the House, the Majority and Minority Leaders of both Houses, and the Chairmen and senior Minority Members of the Senate and House Appropriations Committees.

"Sincerely,

"RICHARD NIXON."

As every Senator knows, a key problem this year resulted from the submission of two separate presidential budgets with the resulting delays caused by the necessity for appropriate review by the Nixon administration of the Johnson budget.

Another critical problem is the delay in passing authorization bills, which must be on the books before appropriations can be properly voted. Congress has fallen into the habit of passing new authorizations for some programs every year. As chairman of the Labor, HEW Subcommittee on Appropriations, I am still waiting for the OEO authorization which must be passed before its budget should properly be reviewed.

I was pleased to note that Phillip S. Hughes, Deputy Director of the Bureau of the Budget, testified before the Subcommittee on Congressional Reorganization of the House Committee on Rules that the administration favors a switch of the fiscal year to make it coincide with the calendar year. It appears that this is the only reasonable course of action.

Congress must consider, as soon as possible, the changes this bill would provide for, if we are to keep the confidence of the American people in our appropriations procedures.

At this point I ask unanimous consent to have printed, at the appropriate place, the full text of this bill.

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

The bill (S. 3113) to provide for a separate session of Congress each year for the consideration of appropriation bills, to establish the calendar year as the fiscal year of the Government, and for other purposes introduced by Mr. MAGNUSON, for himself and other Senators, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

"S. 3113

"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 'Fiscal Act of 1970'.

"TITLE I—FISCAL SESSIONS OF THE CONGRESS

"SEC. 101. The meeting of the Congress which begins on the third day of January of each year (or on such day as they shall appoint pursuant to section 2 of article XX of the articles of amendment to the Constitution) shall terminate on the first Monday in November of such year unless the Congress has adjourned such meeting sine die prior

to such first Monday. Each such meeting, and every other meeting, of the Congress, other than a meeting pursuant to section 102 of this title, shall be known as a "legislative session". The legislative sessions of each Congress shall be numbered serially.

"Sec. 102. The Congress shall assemble on the second Monday of November of each year for the purpose of considering bills and resolutions making appropriations for the support of the Government. Such meeting shall terminate on December 31 of each year unless the Congress has adjourned such meeting sine die prior to such day. Each such meeting shall be known as a "fiscal session". The fiscal sessions of each Congress shall be numbered serially.

"Sec. 103. (a) Except as provided in this section, no matters shall be considered by the House of Representatives or the Senate during a fiscal session other than bills or resolutions making appropriations for the support of the Government.

"(b) The provisions of subsection (a) shall not preclude any committee of the House of Representatives or the Senate or any joint committee of the two Houses from meeting during a fiscal session for the consideration of any matter over which such committee or joint committee has jurisdiction, or from holding hearings or conducting studies and investigations with respect to any such matter, but, except as provided in this section, no committee of either House, other than the Committees on Appropriations, shall, during a fiscal session, report any bill or resolution or take any other legislative action, and no committee of the Senate shall report any treaty or nomination.

"(c) Notwithstanding the provisions of subsections (a) and (b), the appropriate committees of the House of Representatives and the Senate may report, and the two Houses may consider, during a fiscal session, any bill or resolution if the President notifies the Congress that the consideration of such bill or resolution during such fiscal session is necessary in the national interest.

"(d) Notwithstanding the provisions of subsections (a) and (b), the appropriate committee of the Senate may report, and the Senate may consider, during a fiscal session, any treaty or nomination if the President notifies the Senate that the consideration of such treaty or nomination is necessary in the national interest.

"(e) For purposes of this section, in the case of a joint committee which has legislative jurisdiction, the members of the joint committee who are Members of the Senate shall be considered as a committee of the Senate, and the members of the joint committee who are Members of the House shall be considered as a committee of the House.

"Sec. 104. (a) Except as provided in this section, the House of Representatives and the Senate shall not consider any bill making appropriations for the support of the Government during a legislative session.

"(b) The provisions of subsection (a) shall not preclude the Committees on Appropriations of the House and Senate from meeting during a legislative session for the consideration of any matter over which such committees have jurisdiction, or from holding hearings or conducting studies and investigations with respect to any such matter, but except as provided in this section, neither of such committees shall, during a legislative session, report any appropriation bill or resolution.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Committees on Appropriations of the House and Senate may report, and the two Houses may consider, during a legislative session, bills or resolutions making supplemental or deficiency appropriations for the fiscal year which is current during such legislative session.

"Sec. 105. The provisions of sections 103 and 104 shall not preclude the reconsideration by the House of Representatives and the Senate, during any session, of any bill or of any order, resolution, or vote returned by the President to either House pursuant to the second or third paragraph of section 7 of article I of the Constitution.

"Sec. 106. For purposes of this title, the term "appropriations" has the meaning assigned to it by section 2 of the Budget and Accounting Act, 1921 (31 U.S.C. 2).

"Sec. 107. (a) Sections 101 and 102 of this title shall become effective at noon on the day on which the Congress assembles, pursuant to section 2 of article XX of the articles of amendment to the Constitution, in the year 1970.

"(b) Sections 103, 104, 105, and 106 of this title shall become effective upon the adjournment sine die of the meeting of the Congress which begins pursuant to section 2 of article XX of the articles of amendment to the Constitution in the year 1970.

"TITLE II—CHANGE OF FISCAL YEAR

"Sec. 201. Section 237 of the Revised Statutes (31 U.S.C. 1020) is amended to read as follows:

"Sec. 237. (a) Except as provided in subsection (b), the fiscal year of the Treasury of the United States in all matters of accounts, receipts, expenditures, estimates, and appropriations shall commence on July 1 of each year and end on June 30 of the following year.

"(b) The fiscal year of the Treasury of the United States which commences on July 1, 1971, shall end on December 31, 1972. The next succeeding fiscal year shall commence on January 1, 1973, and end on December 31, 1973, and thereafter the fiscal year of the Treasury of the United States shall commence on January 1 and end on December 31 of each year.

"(c) All accounts of receipts and expenditures required by law to be published annually shall be prepared and published for the fiscal year, as established by subsections (a) and (b).

"Sec. 202. The following provisions of law are repealed:

"(1) The ninth paragraph under the headings "Legislative Establishment", "Senate", of the Deficiency Appropriation Act, fiscal year 1934 (48 Stat. 1022; 2 U.S.C. 66); and

"(2) The proviso to the second paragraph under the headings "House of Representatives", "Salaries, Mileage, and Expenses of Members", of the Legislative-Judiciary Appropriation Act, 1955 (68 Stat. 400; 2 U.S.C. 81).

"Sec. 203. (a) Appropriations for the fiscal year which begins on July 1, 1970, shall be made at the legislative session of the Ninety-first Congress which begins on January 3, 1970 (or on such day as may be appointed pursuant to section 2 of article XX of the articles of amendment to the Constitution). Appropriations for the fiscal year which begins on July 1, 1971, shall be made at the legislative session of the Ninety-second Congress which begins on January 3, 1971 (or on such day as may be appointed pursuant to section 2 of article XX of the articles of amendment to the Constitution). Appropriations for the fiscal year which begins on January 1, 1973, shall be made at the fiscal session of the Ninety-second Congress which begins on the second Monday of November 1972. Appropriations for each fiscal year thereafter shall be made at the fiscal session of the Congress which immediately precedes the commencement of such fiscal year.

"(b) Nothing contained in subsection (a) shall preclude the making of deficiency or supplemental appropriations for any fiscal year—

"(1) at any session of the Congress prior to the fiscal session of the Ninety-second Con-

gress which begins on the second Monday of November 1972; or

"(2) at any fiscal session of the Congress.

"TITLE III—AMENDMENTS TO THE BUDGET AND ACCOUNTING ACT, 1921

"Sec. 301. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

"(1) by striking out in subsection (a) 'during the first fifteen days of each regular session' and inserting in lieu thereof ", at the time specified in subsection (c)"; and

"(2) by adding at the end thereof the following new subsections:

"(b) In addition to the information required by subsection (a), the Budget shall contain a statement, in such form and detail as the President may determine, of the capital assets of the Government, and their value, as of the end of the last completed fiscal year.

"(c) The President shall transmit the Budget to the Congress as follows:

"(1) for any fiscal year prior to the fiscal year which begins on January 1, 1973, during the first fifteen days of the session which begins on the day prescribed, or appointed pursuant to section 2 of article XX of the articles of amendment to the Constitution preceding the commencement of the fiscal year, and

"(2) for the fiscal year which begins on January 1, 1973, and for each fiscal year thereafter, on or before July 15 of the year preceding the commencement of the fiscal year.

If the Congress is not in session on the day on which the President submits the budget for the fiscal year which begins on January 1, 1973, or for any fiscal year thereafter, such budget shall be transmitted to the Clerk of the House of Representatives and shall be printed as a document of the House of Representatives.

"(b) This section shall become effective on July 1, 1972.

"Sec. 302. (a) Section 201(a)(5) of such Act is amended by striking out "October 15" and inserting in lieu thereof "May 15".

"(b) This section shall become effective on May 1, 1972."

Mr. MAGNUSON. Mr. President, now is the time for change. The Congress cannot operate under its present rules and maintain the confidence of the American people. We must come to grips with the annual legislative logjams and move decisively.

My proposal is quite simple: first, Congress shall change the fiscal year to the calendar year and second, it shall have a divided session each year considering separately legislative and fiscal matters.

Under my bill Congress would consider legislative matters from January 3 through the first Monday in November, unless the Congress has adjourned such meeting sine die prior to such first Monday. Congress, under this bill, would assemble on the second Monday of November of each year for the purpose of considering bills and resolutions making appropriations for the support of the Government. Such meetings shall terminate on December 31 of such year unless the Congress has adjourned such meeting sine die prior to such day.

This bill is a beginning point for hearings which I am certain would bring some refinements. Congress should, as a first step, change the fiscal year to the calendar year. This would get us out of the foolish position of passing appropriation

bills 5 or 6 months after the start of the fiscal year.

A recent article in the *Christian Science Monitor* by Robert P. Hay highlighted the very unbusinesslike picture of how Congress operates.

Mr. President, I ask unanimous consent to have printed at this point a copy of this excellent article.

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

[From The *Christian Science Monitor*, Dec. 16, 1969]

CONGRESS MAY UPDATE APPROPRIATION MACHINERY: U.S. AGENCIES CLAMOR—"HOW MUCH CAN WE SPEND IN 1970?"

(By Robert P. Hey)

WASHINGTON.—How would you like to run a business without knowing for months how much money your boss would let you spend? Whether you'd be able to hire more people—or have to fire some? Whether you could start expensive and important new programs—or would not have enough money to?

It's not a very businesslike picture. Yet many huge federal agencies are having to operate just that way right now. What's more, that's the way they have had to operate for many years.

It all stems from Congress's methods of deciding how much money these agencies should be able to spend. First Congress decides the maximum amount they can have; then it looks at their specific spending requests and grants them a certain amount of money, up to the top level.

The whole process takes a lot of time. And while a busy Congress is cogitating these financial-appropriation bills—often months after a decision is supposed to have been reached—federal agencies often go along month after month spending about what they did the previous year and wondering how much they'll finally get.

WORST PERFORMANCE YET?

The Congress ought to have passed all these appropriation bills by July 1—that's the start of the new fiscal year for all the federal government. But this year by Dec. 1 Congress had only passed 4 of 14 major appropriation bills. Some were calling it the worst performance yet.

There's a silver lining to this year's appropriation mess. The muddle has caused increased pressure within Congress to do something to put the business of financing the government on a businesslike basis.

There's activity in both the Senate and the House on the issue.

The principal effort is to change the government's fiscal year to run the same time as the calendar year—from January to January.

The second effort is to make the appropriation process itself more efficient by splitting up the annual session into two parts: legislative and appropriations.

Sen. Warren G. Magnuson (D) Washington says he has introduced a bill into Congress to do those two things "every session of Congress for 20 years." He's introduced his bill again early this year. This year, he says, the climate for Senate passing is better than it has ever been.

PHILOSOPHIES DIFFER

For one thing, he has some two dozen cosponsors of diverse philosophies, including Senate Majority Leader Mike Mansfield. Early next year the sponsors are expected to ask Sen. B. Everett Jordan (D) of North Carolina, Rules Committee chairman, to hold hearings on the Magnuson bill.

No hearings so far have been scheduled.

But a committee staff member says there is no inclination "not to hold hearings." He says that if senators push for hearings (and especially if Senator Mansfield pushes) that'd get action—that is, a hearing.

However, it is too early to predict what chance the Magnuson bill would have of passing the full Senate, although the broad list of cosponsors at this stage augurs well for it.

Under the Magnuson bill Congress every year would devote the period from January through the first Monday in November to legislating—passing new laws, examining federal programs, and authorizing the maximum amount of funds they could be given.

From the second Monday in November through the end of December Congress would appropriate—actually finance federal programs and agencies. With its attention undivided, Senator Magnuson says, Congress would have ample time to complete the appropriations process.

POSITION OUTLINED

President Nixon has not specifically commented on the Magnuson bill. But a presidential spokesman says that on this subject the Bureau of the Budget speaks for the President. The bureau's position was outlined in testimony Oct. 23, 1969, before a House subcommittee by Philip S. Hughes, then the bureau's deputy director.

Mr. Hughes told the congressional-reorganization subcommittee of the House Rules Committee:

"In sum, we favor a change in the fiscal year, but believe that the complexities and ramifications of such a change should be carefully explored and planned for."

Otherwise the administration has not stated support for the specific Magnuson bill. But its sponsor says he anticipates no difficulty in obtaining presidential support.

In the House there are 17 bills dealing with changing the fiscal year. They are lodged in the subcommittee on executive and legislative reorganization of the parent Committee on Reorganization Operations. No hearings were held on the issue this year. At the moment there are no plans for hearings by this subcommittee next year—and no expectations, either.

REORGANIZATION MAPPED

However, a provision to change the fiscal years is being considered by a subcommittee of the House Rules Committee, which now is writing a bill on congressional reorganization. A committee source says the subcommittee is "considering" including such a fiscal-year provision in its reorganization bill. Another source says flatly that such a provision has been included in a draft of the reorganization bill which is being circulated among congressmen.

However, internal House politics concerning other provisions of the proposed reorganization are such that chances of the bill's passing the full House are "up in the air," in the opinion of one who supports it.

A committee source reports however that it is "almost a certainty that we'll get a bill out of the Rules Committee."

The fiscal-year issue is deeply rooted in American history. When the country first was formed the fiscal year ran from January to January. By horse and stagecoach congressmen arrived in December for the legislative session. The country was young, small, and uncomplicated—the appropriation process was short and could be done in a month.

In the early 1800's it began to take longer. In 1843 Congress changed the fiscal year to the present July 1-June 30 period in order to give itself several months to conduct its business and carefully consider its appropriations.

PUSH FOR EFFICIENCY

In recent years this has not been enough time, as the country has become more populous, government bigger, and society more complicated. And, as one senatorial source puts it: "Congress just starts off slowly every year." Hence the push to make the appropriation process more efficient, and to change the fiscal year back again.

Senator Magnuson would like to see both parts of his bill enacted. But he says "the least we can do to make a start is to get them to shift to this calendar year. And then the first time you did that, you could make appropriations for 18 months instead of 12."

Making such a change has many practical problems—such as the fact that 47 of the 50 states also operate on a July 1-June 30 fiscal year. But the Senator feels these could be worked out—with the end product greater efficiency and a more smoothly running system.

Mr. MAGNUSON. It is time for Congress to come to grips with the issue of reorganization. We can no longer allow for annual appropriation logjams. This year has been the worst in history and has found the President and Congress being highly critical of each other without coming to grips with the real problem.

Under my proposal all authorizations and legislative matters would have to be passed during the legislative session. This eliminates the problem of trying to appropriate for programs which have not yet been authorized, thus eliminating one of the worst problems with the existing system.

Under my program, Congress will first review all legislative matters and then focus directly on appropriations without the confusion of authorizing legislation being passed at the same time.

In summary, my proposals may have some bugs but it has to be better than what we presently have. This bill will improve the efficiency of Congress and will also help the Government agencies which never know the amount of funds they are receiving until halfway through the fiscal year.

Mr. President, I hope that we can get moving on this bill as soon as Congress returns from the Christmas holiday. I close by saying, as the majority leader and I said at the end of the last session of Congress, that there must be a better way to do our business than the way we are doing it now.

H.R. 12290—INDEFINITE POSTPONEMENT AND REMOVAL FROM THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 312, H.R. 12290 be postponed indefinitely and taken from the calendar.

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

SENATOR PERCY REPORTS TO HIS CONSTITUENTS

Mr. SCOTT. Mr. President, my distinguished colleague, the senior Senator from Illinois (Mr. PERCY), has made a most impressive and significant annual report to his constituents on the first

session of the 91st Congress. The report appears in the RECORD for December 19, and it stands as an excellent statement of the work this Congress has accomplished to date, and more significant, the immense work which needs doing next session.

I commend the Senator for the excellent statement. I wish to thank him wholeheartedly for the assistance he has provided me upon my succession to the post of minority leader. Senator PERCY has played an immensely important role during this session. I am particularly and personally grateful to him for the assistance he has provided the Senate in enacting historic tax relief legislation. I think it is significant that the Percy proposal for scaled personal income tax exemption has been accepted by the conferees as the most appropriate way to provide substantial tax relief to the vast majority of Americans.

Mr. PERCY's comprehensive and well-spoken statement deserves the attention of the members of this body and of his constituents in Illinois. It is a tribute to his ability as a U.S. Senator and as a man who has broad, far-reaching concerns for the people of Illinois and the Nation. I am proud to be able to work so closely with this dynamic leader. His record in this body is indeed impressive, and I look forward to ever greater accomplishments by him.

A FULL YEAR OF ACTIVITY AND PRODUCTIVITY FOR THE U.S. SENATE

Mr. MANSFIELD. Mr. President, this has been a full year of activity and productivity for the U.S. Senate. There have been few years when more major issues of national and international import have been considered and acted upon.

One of the principal reasons the Senate has been able to deal so fully and effectively with such a great number of significant matters is due to the willingness of committee and subcommittee chairmen to work unusually long hours, with great energy and patience, and with unending devotion to duty. An especially heavy load of legislative responsibility has been carried by the Senator from Mississippi (Mr. STENNIS).

As chairman of the Armed Services Committee he presided over extensive hearings on military procurement in a year that the bill was under particularly close, critical examination and debate. He skillfully managed the bill in committee and on the floor, giving due opportunity for full debate of the most controversial issues, including the anti-ballistic-missile system while, at the same time, strongly and persuasively pressing his own views without prejudice to others.

The deep and intense knowledge of defense matters which the Senator possesses has contributed immeasurably to the Senate, and is evidence of the Senator's long and tireless study of national security.

In addition, he has presided over the Committee on Standards and Conduct and, as such, has served as a conscience of the Senate, carefully guarding the

ethics and standards of this body, and of its individual members.

As chairman of the Appropriations Committee on Transportation he has guarded the examination of the newest department of our Government which reaches into so many vital areas of our geography and society. As a member of the Space Committee he has devoted attention and given assistance that has substantially contributed to the attainment of national space goals never attained before by any nation.

As a working member of the Appropriations Committee, he has diligently pursued his duty of establishing and policing the national budget with equal emphasis on giving full value of the Federal dollar and the elimination of unnecessary expenditures.

I especially commend the Senator from Mississippi for his capacity to accomplish all of these things in the national interest, while at the same time placing foremost in his priority of service the matters which affect his State. He has been at the very front of the line in all matters that pertain to his constituents and, although heavily loaded with other senatorial duties, has fully discharged his responsibility to his people in matters essential to them.

To carry this dual responsibility has required a man of unusual stamina, the highest dedication, and exceptional ability. I commend him for his excellent work on behalf of his country and his State.

RESOLUTION FOR ADJOURNMENT SINE DIE

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 475.

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 475, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Tuesday, December 23, 1969, and that when they adjourn on said day, they stand adjourned sine die.

Mr. MANSFIELD. Mr. President, I ask for the immediate consideration of the resolution.

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

There being no objection, the resolution (H. Con. Res. 475) was considered and agreed to.

AUTHORITY TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 476.

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 476, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That notwithstanding

ing the sine die adjournment of the two Houses, the Speaker of the House of Representatives and the President of the Senate, or the President pro tempore of the Senate, or the acting President pro tempore of the Senate be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

There being no objection, the resolution (H. Con. Res. 476) was considered and agreed to.

DATE OF MEETING OF SECOND SESSION OF 91st CONGRESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 1041.

The ACTING PRESIDENT pro tempore laid before the Senate House Joint Resolution 1041, establishing that the second session of the 91st Congress convene at noon on Monday, January 19, 1970, which was read twice by its title.

Mr. MANSFIELD. Mr. President, I ask for the immediate consideration of the joint resolution.

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

There being no objection, the joint resolution (H.J. Res. 1041) was considered, ordered to a third reading, read the third time, and passed.

AUTHORITY FOR SECRETARY OF SENATE TO RECEIVE MESSAGE FROM THE PRESIDENT ON BUDGET OUTLAYS FOR FISCAL 1970 THROUGH NOVEMBER 1969 DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the sine die adjournment of Congress, the Secretary of the Senate be authorized to receive a message from the President on budget outlays for fiscal 1970 through November 1969, during such adjournment.

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

NOTIFICATION TO THE PRESIDENT

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 299), as follows:

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The ACTING PRESIDENT pro tempore. Under the terms of the resolution the Chair appoints the Senator from Montana (Mr. MANSFIELD) and the Senator from Pennsylvania (Mr. SCOTT).

THANKS OF THE SENATE TO THE VICE PRESIDENT

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 300) as follows:

Resolved, That the thanks of the Senate are hereby tendered to the Honorable Spiro T. Agnew, Vice President of the United States and President of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Ninety-first Congress.

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

There being no objection, the resolution was considered and agreed to.

THANKS OF THE SENATE TO THE PRESIDENT PRO TEMPORE

Mr. GRIFFIN. Mr. President, for myself and the Senator from Pennsylvania (Mr. SCOTT), I send to the desk a resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 301) as follows:

Resolved, That the thanks of the Senate are hereby tendered to the Honorable RICHARD B. RUSSELL, President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Ninety-first Congress.

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

There being no objection, the resolution was considered and agreed to.

THANKS OF THE SENATE TO THE ACTING PRESIDENT PRO TEMPORE

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 302), as follows:

Resolved, That the thanks of the Senate are hereby tendered to the Honorable LEE METCALF, Acting President pro tempore of the Senate, for the courteous, dignified, and impartial manner in which he has presided over its deliberations during the first session of the Ninety-first Congress.

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

There being no objection, the resolution was considered and agreed to.

AUTHORIZATION FOR PRESIDENT OF THE SENATE TO MAKE APPOINTMENTS TO COMMISSIONS AND COMMITTEES

Mr. GRIFFIN. Mr. President, for myself and the Senator from Pennsylvania (Mr. SCOTT), I send to the desk a resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 303) as follows:

Resolved, That, notwithstanding the final adjournment of the present session of the Congress, the President of the Senate be, and he is hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

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

There being no objection, the resolution was considered and agreed to.

THE SENATE'S RESPONSE TO ITS RESPONSIBILITIES DURING THE FIRST SESSION OF THE 91ST CONGRESS

Mr. MANSFIELD. Mr. President, I am fully aware that the first session of the 91st Congress has been an arduous, long, and grueling work year for the Senate. We began early, on January 3; we are leaving late. Moreover, when we return for the second session in mid-January of 1970, we shall have some leftover, and assuredly many new responsibilities to face. The experience this year again underscores the fact that the Nation's business is year round and so, too, is work of the Senate and the Congress becoming year round.

APPROPRIATIONS

The record of the Senate in the first session of the 91st Congress is a responsible one. The Senate has had its problems, of course, as it always does in any session of any Congress. So, too, has a new administration and the two are not unrelated. The transition in the Presidency involved adjustments in the budget and, hence, delays in appropriations which have not been easy for either the executive or the legislative branch. The new monetary requests were delayed until April when revised budget estimates were submitted to Congress. This delay, in turn, delayed congressional appraisal of, and action on, appropriations requests. I regret the necessity of the Senate having had to act on many appropriations measures so late in the session. Perhaps now is the time for Congress to consider drawing a line—a set division of the year separating authorization and appropriations matters, as has been suggested so wisely by the distinguished Senator from Washington (Mr. MAGNUSON).

Perhaps, too, appropriations should be established on a calendar year basis, rather than being standardized by the so-called fiscal year which, and as the Senate knows without rhyme or reason, is in the middle of the year. Perhaps it is time to concern ourselves less with

which body of Congress acts first on an appropriations request than with which body's schedule enables it to act first. And perhaps when provisions are placed in authorizing laws which limit appropriations amounts, the limitations should not be casually cast aside.

ACTION ON PRESIDENT NIXON'S PRIORITY ITEMS

Notwithstanding the difficulties, I reiterate that the record of the Senate in the first session of the 91st Congress has been responsible. In a message to Congress on October 13, for example, President Nixon directed attention to legislative items he felt merited priority. The following summarizes the Senate-congressional performance with respect to this list. Congress has completed action on legislation involving draft reform, tax reform, repeal of the investment tax credit as of April 18, 1969, extension of the surtax at a 5-percent rate through June 30, 1970, a social security increase of 15 percent rather than the 10-percent figure recommended by the President, a rapid rail transit system for the District of Columbia and suburbs, a foreign assistance authorization, and coal mine health and safety. Moreover, the Senate has either passed or has pending on its legislative calendar for prompt floor action next session the following: All of the proposed District of Columbia government reform and crime measures, an Airport and Airways Development Act, a revised and expanded food stamp program, a Commission on Population Growth and the American Future, an organized crime control bill, and a controlled dangerous substances bill.

Other items to which the President attached priority which are receiving Senate consideration are postal reform, manpower reform, grant-in-aid reform, electoral reform, public transportation assistance, occupational health and safety, equal employment enforcement power, voting rights, and anti-pornography measures. Only a few items have not yet received any Senate scrutiny at all. In those cases, I am satisfied that there are valid reasons for the deferment by the committees. I ask unanimous consent, Mr. President, to insert in the RECORD at the close of my remarks a statement outlining in brief an appraisal of the Senate's action on legislative proposals mentioned by the President on October 13.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

SENATE ROLE DURING THE NEXT SESSION

Mr. MANSFIELD. Mr. President, it must be kept in mind, too, that this is only the first session of the 91st Congress. Another session remains in which to analyze, approve, or disapprove legislation proposed by the President both this year and next. Moreover, in the next session, I fully expect, as has been the case during the first session, that the Senate will continue, with initiative, innovation, and insight, to make its own contributions to the legislative proposals presented to it by the administration, to originate legislative proposals of its own, and to carry on its vital and important function of legislative oversight.

TAX REFORM—TAX RELIEF

Mr. President, I summarize now what appears to me to be major achievements of the Senate this year.

The most responsible action of all which the Congress took this session on behalf of the people of the United States was in giving its final approval during this session to the tax reform-tax relief bill. This legislation, initiated by Congress, was the product of many months of dedicated and diligent effort on the part of the legislative branch. It is landmark legislation which makes comprehensive reforms in the tax laws and grants tax relief to persons in the low- and middle-income brackets. For example, it increases on a graduated scale, the personal income tax exemption from \$600 to \$750 by 1972. It grants a 15 percent increase in social security benefits effective January 1, 1970. It terminates the investment tax credit as of April 18, 1969, and makes many other substantial and beneficial changes in the tax laws.

This Congress has also acted in many other areas of Federal concern and activity.

HUNGER—FOOD STAMP PROGRAM

It increased the food stamp authorization for fiscal year 1970 by almost twofold, from \$340 to \$610 million. A separate Senate-passed food stamp bill deals further with the inexcusable persistence of hunger in the United States. Among the salient features of this bill are provisions enabling very low-income families to receive food stamps free and requiring every county in the Nation to have a food stamp program for its poor and hungry by 1971.

CRIME

With respect to combating the crime, Congress gave the administration substantial sums of money which should for the present permit the administration to move rapidly against the rising statistics. Early next year I anticipate the Senate will consider S. 30, the organized crime control bill which is pending on the Senate legislative calendar. This very comprehensive measure is the culmination of a year of bipartisan detailed study, hearings, and consultations. The process began early this year when the original version of S. 30 was originated in the Senate on January 15. Hearings on this and other Senate-sponsored bills began in March, and on April 23 the administration sent a special message to Congress on the subject of organized crime which covered a good deal of the same ground. As I understood it, the organized crime control bill is a composite of provisions in various Senate-sponsored bills and incorporates administration suggestions as well.

The Senate has also approved an impressive list of crime proposals for the District of Columbia which includes the Bail Agency Act amendments, a reorganization of District of Columbia courts, a Public Defender Act, revision in District of Columbia criminal law and procedure, and a bill to establish a District of Columbia Juvenile Code.

Speaking of crime, I am most grateful, may I say, for the Senate's approval of a bill I introduced which will

strengthen the penalty provisions of certain aspects of the Gun Control Act which are clearly aimed at the criminal usage of guns. The Senate also repealed some onerous, unnecessary, and unauthorized ammunition recordkeeping requirements which were not clearly delineated and I was delighted to sponsor legislation to achieve that result. All that was done by those provisions as interpreted by the Treasury Department was to create additional need for Government inspectors to make recordkeeping difficult for small retail businessmen without contributing, so far as I can see, anything to the war on crime.

DRAFT REFORM

This Congress approved a Presidential recommendation permitting the use of a lottery for the military draft. For fiscal year 1970, a \$1.6 billion military construction program was also authorized, and a \$20.7 billion military procurement program. Not only was the proposal for a Safeguard anti-ballistic-missile system scrutinized with care, but I am convinced the bill received in the Senate the most searching examination it has ever had in the legislative branch. The time spent in consideration of this measure, some may think, was too long. I believe, however, that the time was well spent and that the many Senate amendments added to the bill will ultimately save a tremendous amount of money for the American taxpayer, the bulk of whose tax dollar goes to pay for the huge military expenditures of this Nation. Indeed, even this year the bill should be about \$1.24 billion less because of the work of the Senate and the Congress.

DISTRICT OF COLUMBIA

For the District of Columbia, aside from the crime measures mentioned above, the Senate passed legislation to improve the structure and authority of the District government, and to provide for a congressional delegate from the District. Congress has also heeded the transportation needs of the District and its suburbs by authorizing a Federal contribution to get a rapid rail transit system underway. The District of Columbia Federal payment was authorized and appropriated and will assist in carrying on District functions and in meeting its law enforcement needs. The Senate also approved legislation providing for pay increases for police, firemen, and teachers in the District of Columbia.

ECONOMY

In terms of the Nation's economy, the Congress set a permanent debt limitation of \$365 billion and a temporary additional increase of \$12 billion through June 30, 1970. It granted disaster relief, raised the interest rates on Government bonds, and revised and extended the Appalachian Regional Development Act and portions of the Public Works and Economic Act. Approved was a mortgage market expansion and lowered interest rate bill providing means of fighting inflation and helping small business. Other measures to aid small business the Senate also passed. Largely as a result of an intensive study of export controls undertaken by a Senate subcommittee, the

Senate was able to pass an innovative exports and expansion regulation bill. Today both the Senate and House approved a very good compromise version of this important legislation which will not only meet the President's original request but will provide opportunities for the expansion of U.S. trade and assist in alleviating the Nation's balance-of-payments problem.

The Senate also initiated bills requiring fair credit reporting, mutual fund reforms, making relocation assistance uniform, and creating Commissions on Bankruptcy and on Balanced Economic Development.

ANTIPOVERTY

The Congress also extended existing Economic Opportunity Act programs and for carrying them out authorized \$2.195 billion for fiscal year 1970 and \$2.29 billion for fiscal year 1971. As a consequence of Senate initiative, I might add, this legislation contains two new programs—one for the counseling and recovery of alcoholics and one for the rehabilitation of drug users.

EDUCATION

In meeting the Nation's educational needs, Congress passed legislation authorizing funds for and extending the Public Broadcasting Act to July 1, 1974. I revamped and expanded the student loan programs, by providing increased funds for programs of college student assistance—the national defense student loan program, the educational opportunity grant program, the college work-study program. Funds for the National Science Foundation was authorized and a National Center on Educational Media for the Handicapped was approved. It might be added that Elementary and Secondary Education Act amendments and the Hill-Burton Act have been considered in depth this year and are expected to be reported to the Senate soon.

GOVERNMENT EFFICIENCY

To assist in achieving efficiency in the operations of Government, Congress extended to April 1, 1971, authority to enable the President to submit reorganization plans to Congress. A reorganization plan submitted this year relating to the Interstate Commerce Commission was permitted to go into effect. Additional executive positions were created and the use of the Civil Service Commission revolving fund was made more flexible.

Local, State, and Federal relationships would be strengthened through the Intergovernmental Personnel Act, and by placing the appointment of postmasters on a career basis, both of which received Senate approval. To give Federal employees assurance that sufficient funds would be available to pay for their future retirement benefits, Congress developed a plan to place the civil service retirement and disability fund on a financially sound footing. It increased both agency and employee contributions to the fund. A bill to raise the salaries of certain Federal employees, including postal employees, to conform to salaries paid employees in private industry doing comparable work, is in a conference committee at the present time.

Other bills which the Senate approved establish a Cabinet Committee on Opportunities for Spanish-Speaking People and a Commission on Population Growth and the American Future, and provide funds for the Office of Intergovernmental Relations and the Council on Youth Opportunity, and for construction of the John F. Kennedy Cultural Center.

HEALTH

In the area of health, Congress came forth with the Child Protection and Toy Safety Act, Clean Air Act amendments, and an extension of the National Commission on Product Safety. Other Senate-passed legislation related to communicable disease control, improvement and extension of the Community Mental Health Centers Act, extending public health training, authorizing water pollution control, extending the program of health services for migratory workers and their families, and extending programs for medical libraries and health communications. Also approved was a strong public health cigarette smoking bill which will provide adequate warning to the public of the hazards of cigarette smoking through strengthened cautionary labeling of cigarette packages and will prohibit after January 1, 1971, all television and radio broadcasting of cigarette advertising.

HOUSING

In the area of housing, this Congress passed the Housing and Urban Development Act authorizing \$4.7 billion over the next 2 years for programs of urban renewal, model cities, rent supplements, and public housing.

AMERICAN INDIANS

For the benefit of American Indians, many bills were approved, including legislation to guarantee their rights and legislation to pay the expenses of the National Council on Indian Opportunity.

FOREIGN RELATIONS

Among Senate actions in the field of foreign affairs were a 2-year extension of foreign assistance programs, a U.S. contribution to the International Development Association, \$98 million for the Peace Corps for fiscal year 1970, and provision for the convening of a conference to negotiate a Patent Cooperation Treaty. The Senate gave its advice and consent to ratification of eight treaties, the most significant of which is the Treaty on the Nonproliferation of Nuclear Weapons which had been negotiated during the prior administration. Another treaty—the Vienna Convention on Consular Relations—is the first multilateral agreement governing the regulation of consular relations between States.

Two very important resolutions developed by Senatorial initiative and subsequently adopted by the Senate related to recognition of foreign governments and to the definition of national commitments. The latter expressed as the sense of the Senate that a national commitment could result only from affirmative action taken by the executive and legislative branches by means of a treaty, statute, or concurrent resolution of both Houses of Congress providing for such a commitment.

JUDICIARY

To improve the Nation's judiciary, Congress raised the annual appropriations for the work of the Administrative Conference of the United States and increased the authorization for the National Commission on Reform of Federal Criminal Laws. The Senate endorsed, as well, modernization of procedures in the Customs Courts and the creation of 70 new district judgeships. Moreover, the Senate approved a long overdue repeal of the emergency detention provision of the Internal Security Act of 1950 to remove a threat to the established freedom of American citizens and their constitutional rights.

COAL MINE HEALTH AND SAFETY

This Congress promulgated the strongest Federal Coal Mine Health and Safety Act in the Nation's history. Not only will this bill improve the health and safety conditions in mines but it will also provide disability benefits for miners who have been totally disabled by black lung disease and for the widows of miners whose death was due to black lung disease.

In the nature of national memorials and tributes, the Congress authorized funds to develop the Eisenhower National Historic Site at Gettysburg, Pa., and established the Lyndon B. Johnson National Historic Site at Johnson City, Tex., and the Taft Historic Site in Cincinnati, Ohio. It also provided that November 9, 1969, be declared a national day of prayer and concern on behalf of the American servicemen being held prisoner by the North Vietnamese.

CONSERVATION

In efforts to conserve the Nation's resources, Congress took steps to preserve fish and wildlife species threatened with extinction; provided authorizations for a saline water conversion program; extended the National Council on Marine Resources and Engineering Development; established a Board of Environmental Quality Advisers; and extended the interstate oil and gas compact for an additional 2 years. Senate-approved legislation will aid in land acquisition for the Independence National Historical Park in Philadelphia, Pa., add to the wilderness preservation system the Lincoln Bank Country forest lands in Montana, the El Dorado National Forest in California, the Ventana Wilderness in California, the Monomoy Island in Massachusetts, Pelican Island lands in Florida, and wilderness areas in Michigan, Wisconsin, Maine, Oregon, Alaska, Washington, and New Mexico. Other legislation passed would establish the Sawtooth National Recreation Area in Idaho, the Buffalo National River Area in Arkansas, and the Apostle Islands National Lakeshore in Wisconsin. Also approved were a national mining and minerals policy measure and the establishment of a pilot youth conservation program.

ATOMIC ENERGY

Congress authorized \$2.4 billion for the Atomic Energy Commission for fiscal year 1970 and, in addition, made some important amendments to the Atomic Energy Act.

SPACE

The National Aeronautics and Space Administration was authorized an appropriation of \$3.7 billion for fiscal year 1970. Recognition was paid to the achievements of our astronauts by authorizing the President to award a Congressional Space Medal of Honor to astronauts who have performed distinguished service for the welfare of the Nation and of mankind; the success of the Apollo 11 lunar expedition was marked by a commendation to the moon astronauts.

TAX MEASURES

In addition to its landmark reform and relief legislation in the tax field, Congress also extended the interest equalization tax until March 31, 1971; provided for State taxation of national banks; extended the 10-percent surtax through December 31, 1969; and accelerated the collection of Federal unemployment taxes.

TRANSPORTATION

In connection with transportation Congress authorized \$385 million for the Maritime Administration for fiscal year 1970 and a 1-year extension of the vessel construction differential subsidy. Both the Senate and the House have approved bills amending the National Traffic and Motor Vehicle Safety Act. Also passed by the Senate was the Railroad Safety Act and Hazardous Materials Transportation Control Act. It is designed to promote safety in all areas of railroad operations. It should reduce railroad-related accidents, and death and injuries to persons and damages to property caused by accidents involving any carrier of dangerous materials. Another bill, by prohibiting the movement in interstate commerce of "sored" horses, would serve to end the inhumane practice of deliberately making sore the feet of walking show horses.

VETERANS

The Senate has endeavored to meet responsibilities to veterans, and has approved measures concerning care of veterans in State homes, dependency and indemnity compensation increases, medical benefits for older veterans, nursing home care, outpatient care, service-connected disabilities, specialized medical resources, disability evaluation, and Vietnam era veterans' life insurance. Approved has been a strong Senate version of a bill to remedy the low participation rate under the current GI bill educational assistance program, by increasing GI bill allowance rates approximately 46 percent and establishing a number of new education and training programs.

SENIOR CITIZENS

For our older citizens, Congress extended and expanded the reach of the grant and contract programs of the Older Americans Act and authorized a national older Americans volunteer program to provide service opportunities for older Americans.

Mr. President, I ask unanimous consent that a more detailed summary of Senate activity this session be inserted in the RECORD at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. MANSFIELD. Mr. President, there has not been included the two bills passed yesterday, one sponsored by the distinguished Senator from Hawaii (Mr. INOUE) having to do with abolition of so-called detention camps, and the other having to do with increased pay for firemen and policemen in the District of Columbia, nor was reference made to the export control conference report taken up today.

TRIBUTE TO THE SENATE WORK

In conclusion, I wish to pay a well-deserved tribute to the hard and concerted efforts of both the Democratic and Republican Members of the Senate to achieve in the first session of the 91st Congress a record of significant accomplishments. I also wish to express my personal appreciation to my colleagues for the assistance and cooperation they have extended to the Senate Democratic leadership. Without the constant and continuous efforts of the Senate membership, working together, we could not possibly have responded as responsibly as we have in producing the creditable legislative product of this year.

EXHIBIT 1

SENATE ACTION ON PRIORITY ITEMS LISTED BY PRESIDENT NIXON ON OCTOBER 13, 1969

PROPOSAL

1. Draft Reform (Requested by the President in a Special Message on May 13, 1969)

SENATE RESPONSE

On November 19, 1969, the Senate passed HR 14001, the President's proposal to provide authority for a random system of selection for induction into the Armed Forces. Congressional action on this proposal has been completed. (Public Law 91-124)

Various non-Administration bills designed to eliminate inequities in, and improve, the Selective Service Act are pending before the Senate Armed Services Committee. On November 10, 1969 the Committee announced that it had unanimously agreed to begin comprehensive and extensive hearings on legislation pertaining to the draft not later than February 15, 1970.

PROPOSAL

2. Welfare Reform (Requested by the President in a Special Message on August 11, 1969)

SENATE RESPONSE

The Senate awaits House action on this revenue measure.

The welfare reforms proposed by the President received consideration in connection with the House Ways and Means Committee's examination of social security legislation this year, and will receive further consideration next year.

PROPOSAL

3. Tax Reform (Requested by the President in Special Messages of April 14 and 21, 1969)

SENATE RESPONSE

On February 18, 1969, nearly two months prior to the message from the President relating to tax reform, the House Ways and Means Committee initiated scrutinization of tax reform, which it considered thereafter at length and in detail, leading to the passage of HR 13270, the Tax Reform Act, by the House on August 7, 1969.

On September 4, 1969, the Senate Finance Committee began comprehensive and extensive consideration of HR 13270, the Tax Reform-Tax Relief bill passed by the

House. The Committee reported HR 13270, as amended, to the Senate on November 21, on which date it was made the Senate's pending business. During Senate debate on the bill, numerous amendments were considered and 62 roll call votes taken. The bill passed the Senate amended on December 11 by a vote of 69-22. Congressional action on this proposal has been completed.

PROPOSAL

4. Investment Tax Credit Repeal (Requested by the President in Special Messages of March 26 and April 21, 1969)

SENATE RESPONSE

In the Senate version of HR 13270, the Tax Reform-Tax Relief bill, there was included a provision repealing the investment tax credit as of April 18, 1969, which is retained in the final version of the bill on which Congressional action has been completed.

PROPOSAL

5. Surtax Extension through June 30, 1970 at a 5% rate (Requested by the President in a Special Message of April 21, 1969)

SENATE RESPONSE

HR 13270, the Tax Reform-Tax Relief bill, on which Congressional action has been completed, extends the surtax at a 5 percent rate through June 30, 1970.

PROPOSAL

6. Revenue Reform-Sharing by States (Requested by the President in a Special Message on August 13, 1969)

SENATE RESPONSE

The Senate awaits House action on this revenue measure.

PROPOSAL

7. Postal Reforms (Requested by the President in Special Messages of April 14 and May 27, 1969)

SENATE RESPONSE

The Senate Post Office and Civil Service Committee has concluded its hearings on postal reforms and plans to continue its consideration of reforms in 1970.

The Senate passed on August 12, 1969 legislation (S. 1583) providing for the appointment of postmasters on a career basis (similar to a bill it passed in the 90th Congress) which responded to a request in a Presidential message of February 25, 1969 calling for elimination of Presidential appointment and Senatorial confirmation of postmasters.

A measure initiated by Congress (HR 13000) was passed by the Senate on December 12, 1969 with amendments. This measure raises the level of the salaries of certain Federal employees, including postal employees, to conform to salaries paid employees in private industry doing comparable work. The bill is now in conference.

PROPOSAL

8. Postal Rate Increase (Requested by the President in a Special Message of April 24, 1969)

SENATE RESPONSE

The President's proposal for a postal rate increase is related to the subject of postal reforms and it is expected the Senate Post Office and Civil Service Committee will consider it in an overall context during the next session of Congress.

PROPOSAL

9. Manpower Reform (Requested by the President in a Special Message of August 12, 1969)

SENATE RESPONSE

After concluding its consideration of Economic Opportunity Act amendments, a Senate Labor and Public Welfare subcommittee held hearings on S. 2838, the Administration bill, on November 4 and 5. This legislation is very complicated and controversial and would have a broad impact. Thus, the

subcommittee has further hearings (including field hearings) scheduled for January, February and March of 1970.

PROPOSAL

10. Social Security Reform (Requested by the President in a Special Message on September 25, 1969)

SENATE RESPONSE

The Senate, on December 3, 1969, agreed to an amendment on HR 13270, the Tax Reform-Tax Relief bill, increasing social security benefits by 15 percent, effective January 1, 1970. (The President had proposed a 10 percent increase effective April 1, 1970.) The conference report on HR 13270 retained the 15 percent increase and the Congress has completed action on the bill.

The Senate awaits House action on further social security reforms which the House Ways and Means Committee will consider next year.

The House Ways and Means Committee, on December 5, 1969, reported to the House a clean bill, HR 15095, providing for increasing social security benefits by 15 percent effective January 1, 1970. The bill passed the House on December 15, 1969.

PROPOSAL

11. Grant-in-Aid System Reform (Requested by the President in a Special Message on April 30, 1969)

SENATE RESPONSE

A subcommittee of the Senate Government Operations Committee held hearings on S. 2035 and approved it for full committee consideration on December 15, 1969. It is expected the bill will receive full committee consideration early next year.

PROPOSAL

12. Electoral Reform (Requested by the President in a Special Message on February 20, 1969)

SENATE RESPONSE

A Senate Judiciary Committee subcommittee ordered favorably reported to the full Committee on May 26, 1969 a proposal providing for electoral reform.

PROPOSAL

13. District of Columbia Government Reform (Requested by the President in Special Messages on April 14 and April 28, 1969)

SENATE RESPONSE

On October 1, 1969 the Senate passed S. 2164, a bill to create a D.C. Commission on Government (requested by the President). Said Commission is to examine into the structure and authority of the District of Columbia Government.

On October 1, 1969 the Senate passed S. 2163, a bill to create the office of Congressional delegate from the District of Columbia.

On July 17, 1969 the Senate passed S. 2185, to provide a rapid rail system for D.C. and nearby areas. Congressional action on this proposal has been completed. (Public Law 91-143.)

PROPOSAL

14. Office of Economic Opportunity Reform (Requested by the President in a Special Message of February 19, 1969)

SENATE RESPONSE

Congressional action has been completed on S. 3016, a bill providing for an extension on economic opportunity programs.

PROPOSAL

15. Reform of Foreign Aid (Requested by the President May 28, 1969)

SENATE RESPONSE

Congressional action has been completed on HR 14580, the foreign assistance authorization.

Pursuant to a Congressional directive, in 1968, the President appointed a task force

to study foreign aid and, by law, has been requested to submit his recommendations to the Congress not later than March 31, 1970.

PROPOSAL

16. National Computer Job Bank (Draft legislation submitted August 12 in connection with manpower request made in the President's message of that date)

SENATE RESPONSE

This proposal is included in S. 2838, the administration's manpower training bill. For Senate action on this proposal, to date and that contemplated, see the comments under item 9 above.

PROPOSAL

17. Airport and Airways Development (Requested by the President June 16, 1969)

SENATE RESPONSE

The Airport and Airways Development Act, HR 14465 (which passed the House on November 6, 1969) was reported by the Senate Commerce Committee on December 5 and is pending on the Senate calendar, amended. The Senate Finance Committee has been occupied with consideration of Tax Reform-Tax Relief and has not had an opportunity to consider the matter of user taxes pertinent to this legislation.

PROPOSAL

18. Public Transportation System (requested by the President in a Special Message August 7, 1969)

SENATE RESPONSE

S. 3154, the Public Transportation Assistance Act of 1969 was reported to the Senate on December 22, 1969 and is pending on the Senate calendar.

PROPOSAL

19. Unemployment Compensation System (Requested by the President in a Special Message July 8, 1969)

SENATE RESPONSE

On November 13, 1969, the House passed H.R. 14705, a bill to extend and improve the Federal-State unemployment compensation program. Inasmuch as the Senate Finance Committee has been involved in consideration of the Tax Reform-Tax Relief bill since that time, it has had no opportunity to consider the legislation this session.

PROPOSAL

20. Coal Mine Health and Safety (Requested by the President in a Special Message March 3, 1969)

SENATE RESPONSE

Congressional action has been completed on S. 2917, the Federal Coal Mine Health and Safety Act.

PROPOSAL

21. Occupational Health and Safety Board (Requested by the President in a Special Message August 6, 1969)

SENATE RESPONSE

A Senate Labor and Public Welfare Committee subcommittee has held a number of hearings on this subject and will continue its hearings in early January of 1970.

PROPOSAL

22. Equal Employment Opportunity Enforcement Power (Requested by the President in a Special Message April 14, 1969)

SENATE RESPONSE

A Senate Labor and Public Welfare subcommittee has concluded hearings on this subject and will schedule executive consideration as early as possible in January.

PROPOSAL

23. Illiteracy Tests—Ban as a Prerequisite for Voting (Administration draft 6/30)

SENATE RESPONSE

Senate Judiciary subcommittee hearings were held on S. 2507, the administration bill, and related bills on July 9, 10, 11 and 30, 1969. H.R. 4249, a bill to extend the Voting

Rights Act of 1965 with respect to the discriminatory uses of tests and devices, passed the House on December 11, 1969. On December 16, 1969, by unanimous consent, the Senate referred the bill to the Committee on the Judiciary with instructions to report back not later than March 1, 1970, and at the conclusion of morning business on that date, or the first legislative day thereafter, it will be made the pending business of the Senate.

PROPOSAL

24. Hunger-Food Stamp Program (Requested by the President May 6, 1969)

SENATE RESPONSE

On September 24, 1969, the Senate passed S. 2547 which expanded and improved the Food Stamp program.

PROPOSAL

25. Population—Commission on Population Growth and the American Future (Requested by the President in a Special Message July 18, 1969)

SENATE RESPONSE

On September 29, 1969, the Senate passed S. 2701, to create the Commission and a similar bill, H.R. 15165, is pending on the House Calendar.

PROPOSAL

26. Crime Control: Illegal Gambling; Legitimate Business Racketeering; Witness Immunity (Requested by the President in a Special Message April 23, 1969)

SENATE RESPONSE

S. 30, the Organized Crime Control Act of 1969, was reported to the Senate on December 18, 1969, and is pending on the Senate Calendar.

PROPOSAL

27. District of Columbia Crime (Requested by the President in Special Messages of January 31 and April 14, 1969)

SENATE RESPONSE

During this session the Senate passed legislation covering all of the President's proposals dealing with D.C. Crime: the Ball Agency Act amendments (S. 545, July 8); a Reorganization of District of Columbia Courts (S. 2601, September 18); the Public Defender Act (S. 2602, November 21); Revisions in D.C. Criminal Law and Procedure (S. 2869, December 5); and a D.C. Juvenile Code (S. 2981, December 22, 1969).

PROPOSAL

28. Narcotics (Requested by the President in a Special Message on July 14, 1969)

SENATE RESPONSE

S. 3246, the Controlled Dangerous Substances Act, was reported to the Senate on December 16, 1969 and is pending on the Senate Calendar.

PROPOSAL

29. Pornography (Requested by the President in a Special Message May 2, 1969)

SENATE RESPONSE

S. 2073, a bill to prohibit transportation of obscene materials to minors, has been reported by a Senate Judiciary subcommittee to the full committee, as has S. 2074, a bill to prohibit transportation of salacious advertising. S. 2057, a anti-smut bill referred to the Senate Post Office and Civil Service Committee for action is expected to receive consideration next session.

EXHIBIT 2

SENATE LEGISLATIVE ACTIVITY THROUGH
DEC. 22, 1969

(By Senate Democratic Policy Committee,
91st Congress, 1st session)

Days in session	175
Hours in session	924:45
Total measures passed	675
Public Laws	148
Treaties	8
Confirmations	66,161

Symbols: P/H—Passed House; P/S—Passed Senate

Following is a brief summary of major Senate activity:

AGRICULTURE

Apple marketing orders.—Extended to apply those provision of the marketing law which now authorize paid advertising to be provided for in marketing orders for cherries, carrots, citrus fruits, onions, Tokay grapes, fresh pears, dates, plums, nectarines, celery, sweet corn, limes, olives, pecans, and avocados. S. 1456. P/S 11/10.

Durum wheat.—Increased wheat acreage allotments in the irrigable portion of the Tulelake area of California each year from a 1969 total allotment of 5,374 acres to a total of 12,000 acres, effective with the 1970 crop. S. 858. P/S 9/23.

Food stamp authorization.—Increased the authorization for the food stamp program for fiscal 1970 from \$340 million to \$610 million. PL 91-116.

Food stamp program revision and expansion.—Authorized \$1.25 billion for fiscal 1970, \$2 billion for fiscal 1971, and \$2.5 billion for fiscal 1972; provided for self-certification; established a minimum of \$125 per month for a family of 4; provided free stamps for family of 4 with a monthly income of \$80 or less; and required that every county in the Nation have a Food Stamp program by 1971. S. 2547. P/S 9/24 amended.

Great Plains program extension.—Extended the Great Plains conservation program for 10 years and enlarged its scope. PL 91-118.

License fees and exemptions.—Amended the Perishable Agricultural Commodities Act to increase the maximum annual license fee to \$100 (from \$50), and to extend the retailer and frozen food broker exemptions to those doing less than \$100,000 worth of covered business annually (now \$90,000). PL 91-107.

Marketing quota review committees.—Amended the Agricultural Adjustment Act of 1938 to provide that review committee members may be appointed from any county within a State and that the Secretary of Agriculture may institute proceedings in court to obtain a review of any review committee determination. S. 2226. P/S 9/24.

Peanut acreage allotments transfer.—Provided a one-year extension through the 1970 crop year of the existing authority of the Secretary of Agriculture to permit transfer of peanut acreage allotments within a country where that will not impair the effective operation of the peanut marketing quota or price-support program. PL 91-122.

Potatoes.—Exempted potatoes for processing from marketing orders. S. 2214. P/S 10/16.

Potato and tomato promotion.—Provided for a program of potato research, development, advertising, and promotion, to be financed by assessments of not more than 1¢ per hundred pounds of potatoes produced commercially in the 48 contiguous States of the United States. S. 1181. P/S 10/20.

Seeds.—Authorized the Secretary of Agriculture to approve standards and procedures for seed certification. PL 91-89.

APPROPRIATION 1969

Continuing resolution.—Continued appropriations through October 31, 1969. PL 91-33.

Continuing resolution.—Continued appropriations through December 6, 1969. PL 91-117.

Continuing resolution.—Continued appropriations until sine die adjournment of the first session of the 91st Congress. PL 91-141.

Second supplemental.—Appropriated \$4,352,357,644 in supplemental funds for Southeast Asia and various departments for fiscal 1969; set an expenditure ceiling of \$191.9 billion for fiscal 1970; and repealed provision of law placing limitation on filling Government vacancies. PL 91-47.

Supplemental.—Appropriated \$36 million in supplemental funds for fiscal 1969 for

Federal employees and ex-servicemen's unemployment compensation. PL 91-2.

Supplemental.—Appropriated \$1 billion in supplemental funds for fiscal 1969 for the Commodity Credit Corporation. PL 91-7.

1970

Agriculture.—Appropriated a total of \$7,488,903,150 for the Department of Agriculture and related agencies. PL 91-127.

Defense.—Appropriated a total of \$69,640,568,000 for the Department of Defense. HR 15090. PL 91-

District of Columbia.—Appropriated a total of \$650,249,600 for the District of Columbia. The appropriated Federal payment is \$108,097,000. PL 91-

Foreign assistance.—Appropriated a total of \$2,558,910,000 for foreign assistance and related agencies. HR 15149. P/S amended 12/18. Conference report—House adopted 12/20; Senate tabled 12/20 and requested further conference.

Independent Offices—HUD.—Appropriated a total of \$15,111,870,500 for sundry independent executive bureaus, boards, commissions, corporations, agencies, offices and the Department of Housing and Urban Development. PL 91-126.

Interior.—Appropriated a total of \$1,380,375,300 for the Department of Interior and related agencies. PL 91-98.

Labor—HEW.—Appropriated a total of \$19,747,153,200 for the Departments of Labor and Health, Education and Welfare, and related agencies. HR 13111. Conference report filed 12/20.

Legislative.—Appropriated a total of \$344,326,817 for the Legislative Branch. PL 91-145.

Military construction.—Appropriated a total of \$1,560,456,000 for military construction for the Defense Department. HR 14751. PL 91-

Public Works—AEC.—Appropriated a total of \$4,756,007,500 for public works for water, pollution control and power development and the Atomic Energy Commission. PL 91-144.

State-Justice-Commerce-the Judiciary.—Appropriated a total of \$2,354,432,700 for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies. PL 91-

Supplemental.—Appropriated a total of \$278,281,318 for Supplemental appropriations for fiscal year 1970, and provided for continuing appropriations through January 30, 1970. HR 15209. PL 91-

Transportation.—Appropriated a total of \$2,143,738,630 for the Department of Transportation and related agencies. HR 14794. PL 91-

Treasury-Post Office.—Appropriated a total of \$8,783,245,000 for the Departments of Treasury-Post Office, the Executive Office of the President and certain independent agencies. PL 91-74.

ATOMIC ENERGY

Atomic Energy Act amendments.—Extends for an additional five years, until September 1, 1974, the Atomic Energy Commission's authority to require the licensing of atomic energy patents, increases the maximum criminal penalties for unauthorized diversion of special nuclear material and related offenses, deletes authority to impose the death penalty and the requirement for a jury recommendation for imposition of life imprisonment before such penalty could be imposed, and confers upon the Commission statutory authority to levy civil monetary penalties on persons who violate certain licensing provisions of the act or any rule, regulation, order or license issued thereunder. S. 3169. PL 91-

AEC authorization.—Authorized a total of \$2,448,052,000 for the Atomic Energy Commission for fiscal 1970. PL 91-44.

COMMUNICATIONS

COMSAT Board of Directors.—Related the number of directors on the board of directors

of the Communications Satellite Corporation (Comsat) who may be elected by communications common carriers to the proportion of Comsat stock held by such carriers; specified that the articles of incorporation of Comsat may be amended by a vote of not less than two-thirds of all outstanding shares voting as a single class; and permitted Comsat to adopt bylaws which would permit its board of directors to transact business in the event of certain future national emergencies. PL 91-3.

CONGRESS

Commission for extension of the Capitol.—Increased from 5 to 7 the membership of the Commission for Extension of the U.S. Capitol by adding the majority leaders of the Senate and the House. PL 91-77.

Federal Contested Election Act.—Revised the law governing contests of elections of Members of the House of Representatives. PL 91-138.

House of Representatives office equipment.—Revised the existing office equipment program for Members, offices and committees of the House of Representatives. PL 91-139.

Library of Congress.—Increased from \$75 million to \$90 million the authorization contained in the Act of 1965 for the construction of the third Library of Congress Building to be known as the James Madison Memorial Building. S. 2910 P/S 10/15; H. Cal. amended.

Senate committees' witness fees.—Increased from \$16 to \$25 the limitation on daily witness fees payable to witnesses summoned to appear before the Senate or any of its committees and increased to 20 cents per mile the limitation on the payment of actual transportation expenses of witnesses traveling not more than 600 miles. S. Res. 278. Senate adopted 11/11.

Senate speech reinforcement system.—Authorized a speech reinforcement system for the Senate Chamber. S. Res. 167. Senate adopted 4/15/69.

CRIME

Gun control act amendments.—Strengthened the penalty provisions of the Gun Control Act of 1968 for those persons convicted of Federal felonies while armed with or carrying guns during the commission of the crime for which convicted. S. 849. P/S 11/19.

DEFENSE

Armed forces members serving in combat zones.—Continued for two years the duty-free status of certain gifts by members of the Armed Forces serving in combat zones. HR. 15071 PL 91-2.

Coast guard authorization.—Authorized a total of \$142.8 million for fiscal 1970 of which \$55,584,000 was for vessel procurement, \$17,188,000 for aircraft, \$57,378,000 for construction and \$12,650,000 for bridge alterations. PL 91-49.

Dismemberment insurance coverage.—Added to servicemen's group life insurance coverage indemnity payments in the event of dismemberment or loss of use of a hand or foot, or loss of sight of an eye. S. 2186. P/S 9/18.

Draft reform.—Permitted the President to use a random system of selecting persons for induction into the Armed Forces. Under the new system, for the age group 19 to 20, and those older if in a deferred category, there will be 1 year of maximum exposure for prime vulnerability for induction. The system is designed to operate through the holding of national drawings. PL 91-124.

Extrahazardous duty.—Provided double indemnity servicemen's group life insurance coverage for members of the uniformed services assigned to duty in a combat zone or assigned to extrahazardous duty. S. 1650. P/S 9/18.

Joint Chiefs of Staff Chairman.—Authorized the President to reappoint General Earle

G. Wheeler as Chairman of the Joint Chiefs of Staff for an additional term of one year. PL 91-19.

Legislative jurisdiction over lands.—Authorized the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Army National Guard Facility, Ethan Allen, and the U.S. Army Material Command Firing Range, Underhill, Vermont. S. 59. PL 91-

Marine Corps.—Established the grade of General for the Assistant Commandant of the Marine Corps when the personnel strength of the corps exceeds 200,000. PL 91-11.

Military construction authorization, 1970.—Authorized \$1,626,920,000 to provide construction and other related authority for the military departments, and the Office of the Secretary of Defense, within and outside the United States, including authority for military housing and construction of facilities for the Reserve components. PL 91-142.

Military procurement—ABM.—Authorized \$20,723,202,000 for fiscal year 1970, for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and research, development, test, and evaluation for the Armed Forces, for construction and deployment of the Safeguard anti-ballistic missile system, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces. PL 91-121.

Servicemen's group life insurance increase.—Increased from \$10,000 to \$15,000 the amount of servicemen's group life insurance. S. 1479. P/S 9/18.

Stockpile disposal.—Authorized the sale of 100,000 short tons of lead from the national and supplemental stockpiles. PL 91-46.

Submarine pay.—Provided that junior nuclear-trained submarine officers who have completed their minimum obligated service, but not more than 10 years, may be paid an additional \$3,750 per year if they agree, by voluntary contract, to remain on active duty for an additional 4 years. PL 91-20.

DISTRICT OF COLUMBIA

Bail agency act.—Amended the D.C. Bail Agency Act of 1966 to require the Agency to supervise criminal defendants released under the Act to insure that they conform to the conditions of their release and actually appear for trial; and increased the Agency authorization from \$130,000 to \$360,000 for employing additional personnel to carry out the purposes of this bill. S. 545. P/S 7/8.

Commission on D.C. Government.—Established a home rule study commission to make a study and report to Congress its recommendations 18 months after its establishment. S. 2164. P/S 10/1.

Court suits.—Authorized suits in the courts of the District of Columbia for the collection of taxes owed to States, territories, or possessions, or for political subdivisions thereof, when a reciprocal right is accorded to the District. S. 2502. P/S 9/3.

Criminal law and procedure revisions.—Broadens the admissibility of evidence of prior conviction; permits the trial court to "waive" the defendant's privilege as to testimony regarding psychiatric treatment when District law requires the issue of the defendant's sanity be interjected over defense objection; provides special procedures for dealing with intrafamily offenses; authorizes the imposition of a sentence for an indeterminate number of years up to life for persons thrice convicted of a felony and otherwise demonstrably in need of extended supervision as a tool of rehabilitation; provides a right of appeal by the prosecution in criminal cases; provides procedures for the establishment of prior conviction in aid of the operation of the District's repeated offender

laws; contains new procedures pertaining to the execution and issuance of search warrants; relates to the arrest powers of special police officers and private persons; and establishes a comprehensive "wired tapping" law for the District. S. 2869. P/S amended 12/5.

Debt adjusting.—Prohibited the business of debt adjusting in the District of Columbia except as an incident to the lawful practice of law or as an activity engaged in by a non-profit corporation or association. S. 1458. P/S 7/8.

Delegate.—Created the office of congressional delegate from the District of Columbia and provides he shall be chosen by the qualified voters of the District, in a partisan, general election, following nomination by a political party by means of a party primary, or, in the alternative, following the submission of a nominating petition signed by 5,000 voters or 2 percent of the total District electorate, whichever is less. S. 2163. P/S 10/1.

Interstate compact on juveniles in D.C.—Authorized the Commissioner of the District of Columbia to enter into the interstate compact on juveniles which is now law in 47 States and provides a uniform nation-wide agreement for the disposition of juveniles who leave the State in which they have been found delinquent and also for the return of runaway youths to their home States. S. 2335 P/S 9/18. HR 8868. P/H 7/28.

Judges retirement act.—Amended 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 or survivors annuity and to receive a refund of amounts paid for such annuity. PL 91-140.

Judicial salary adjustments.—Increased the salaries of the six judges of the District of Columbia Court of Appeals, the 23 judges in the District of Columbia court of general sessions, and the one judge of the Tax Court of the District of Columbia. S. 3180 P/S 11/26.

Juvenile code.—Designed to expedite the adjudication of juveniles and enhance their rehabilitation, and to improve court procedures for juveniles so as to provide them their due process of law, and, to these ends, establishes time limits for the principal juvenile proceedings; telescopes many of the proceedings which a juvenile may have to undergo; provides separate treatment or disposition for the different categories of juveniles; requires proof of involvement beyond a reasonable doubt, while eliminating cumbersome and inappropriate trial by jury; provides a right to counsel and to be informed of the specific charges at the earliest practicable juncture; and relieves the juvenile system of those repeated offenders whom the system cannot realistically handle. S. 2981. P/S 12/22.

Legal Aid Act amendment.—Amended the District of Columbia Legal Aid Act to permit the Legal Aid Agency's Board of Trustees to fix the salary of the Agency's Director, as it presently does respecting other Agency employees, following the salary scale for employees of similar qualifications and seniority in the office of the U.S. Attorney for the District of Columbia. S. 1421. P/S 11/21.

National Capital Transportation Act.—Authorized not to exceed \$1,147,044,000 as the Federal contribution for the 97.7 mile rapid rail transit system for D.C. and nearby areas of Maryland and Virginia; and authorized \$150,000 to study the feasibility of a rapid rail line between Dulles Airport and the main metro system utilizing the median of the Dulles access highway. PL 91-143.

Potomac River reservoirs costs.—Gave

broad authorization to the Commissioner of the District of Columbia to enter into such contracts as he deems appropriate for the purpose of providing for payment to the United States of the District of Columbia's equitable share of the non-federal costs of any reservoir which may be authorized by Congress for construction on the Potomac River or any of its tributaries which would benefit the District of Columbia water supply. S. 3009. P/S 12/22.

Practice of Psychology Act.—Protected the public from unqualified and unethical practitioners of psychology in the District of Columbia. S. 1626. P/S 12/22.

Pay increases for police, firemen, and teachers.—Increased salaries and other benefits for officers and members of the Metropolitan Police Department, the U.S. Park Police, the White House Police, and the District of Columbia Fire Department; increased salaries of teachers and school officers and made other adjustments in relevant law; and authorized a special Federal payment to the District of Columbia to partially finance the cost of the bill through the remainder of fiscal year 1970. S. 2694. P/S 12/22.

Public Defender Act.—Established a Public Defender Service to replace the existing Legal Aid Agency. The Service will help provide legal representation to defendants in criminal cases financially unable to obtain adequate counsel, expedite criminal trials by providing experienced counsel in such cases, and assist the private bar and aid the courts in establishing an adequate system for the appointment of private counsel in appropriate cases. S. 2602. P/S 11/21.

Reorganization of D.C. courts.—Provided for a restructured court system in the District of Columbia. S. 2601. P/S 9/18.

Revenue.—Provided approximately \$48 million, together with increases in property taxes already approved, in additional revenues for the D.C. government and authorizes a Federal payment of up to \$105 million, with an additional \$5 million for law enforcement. PL 91-106.

Unemployment Compensation Act.—Exempted certain public international organizations, which have headquarters or regional offices in the District of Columbia, from registering with the D.C. Unemployment Compensation Board and from the payment of the unemployment tax. PL 91-80.

Washington International School.—Authorized the Commissioner of the District of Columbia to convey the Phillips School, located in Georgetown, to the Washington International School, Inc. for the sum of \$500,000. PL 91-63.

DUTIES

Chicory roots.—Made permanent the existing temporary suspension of duty on crude chicory roots; and added two amendments 1) repealing the limitation on Federal participation in Aid to Families with Dependent Children scheduled under present law to become effective July 1, 1969, and 2) extended through June 30, 1971 the authority to provide temporary assistance for the care of repatriated Americans. PL 91-41.

Electrodes — Aluminum.—Continued through December 31, 1970 the suspension of duties on electrodes imported for use in producing aluminum. PL 91-26.

Heptanoic acid.—Continued through December 31, 1970 the suspension of duties on heptanoic acid; and extended through July 31, 1969 the "surcharge" withholding tax rates. PL 91-36.

Istle.—Continued the existing suspension of duty on certain istle through September 5, 1972. PL 91-65.

Metal scrap.—Extended through June 30, 1972 the existing suspension of duty on metal waste scrap. PL 91-25.

Shoe lathes.—Extended through June 30, 1972 the existing suspension of duty on copying lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one size shoe from a single size model or shoe last; and a 2-year suspension of the law requiring States to constantly expand the benefits of Medicaid so that such services will be provided to all indigent residents. PL 91-56.

Spun silk.—Extended through November 7, 1971 the suspension of duties on certain classifications of spun silk yarn which expired on November 7, 1968. PL 91-28.

ECONOMY AND FINANCE

Bankruptcy Commission.—Created a commission to study and recommend changes in the bankruptcy laws. S.J. Res. 88. P/S 6/20.

Commission on Balanced Economic Development.—Established a bipartisan 20-member Commission on Balanced Economic Development to undertake a thorough study and analysis of current geographic trends in the economic development of the Nation. S.J. Res. 60. P/S 5/27.

Debt limit.—Provided a permanent debt limitation of \$365 billion and a temporary additional increase of \$12 billion through June 30, 1970. PL 91-8.

Disaster relief.—Provided for Federal loan adjustments, grants to States for disaster planning, shelter for disaster victims, food stamp program, assistance to unemployed individuals, clearance of lake contamination, fire control, debris removal, and timber sale contracts. PL 91-79.

Economic opportunity amendments of 1969.—Authorized \$2,195,500,000 for fiscal year 1970 and \$2,295,500,000 for fiscal year 1971 for carrying out programs under the Economic Opportunity Act, and established a new alcoholic counseling and recovery program and a new drug rehabilitation program. S. 3016. PL 91-

Export Administration Act.—Continued until June 30, 1971 authority for the regulation and control of exports and made certain declarations of Congressional policy concerning the encouragement of trade with foreign countries and the use and application of export controls. HR 4293. PL 91-

Export Control Act extension.—Extended through October 31, 1969 the authority to control exports. PL 91-59.

Export Control Act extension.—Extended through December 31, 1969 the authority to control exports. PL 91-105.

Fair credit reporting.—Prevented consumers from being unjustly damaged because of inaccurate or arbitrary information in a credit report and from an undue invasion of the individual's right of privacy in the collection and dissemination of credit information. S. 823. P/S 11/6.

Gold and silver content.—Amended the National Gold and Silver Stamping Act to provide a civil remedy for misrepresentation of the quality of articles made from gold and silver. S. 1046. P/S 5/23.

Government bonds—interest rates.—Raised the maximum allowable interest rate ceiling on U.S. Savings bonds to 5 percent from its present level of 4¼ percent. The new ceiling applies to all savings bonds issued on or after June 1, 1969 and also to outstanding savings bonds for interest periods beginning on or after that date. PL 91-130.

Investors study.—Extended to September 1, 1970 the time in which the Securities and Exchange Commission has to study and make a report to Congress on institutional investing practices in the securities market, and increased the appropriation authorization from \$875,000 to \$945,000. PL 91-94.

Mortgage market expansion—flexible interest rates.—Extended until March 22, 1971

the authority to establish flexible ceilings on rates paid by financial institutions on time and savings deposits, increased the maximum insurance protection under FDIC and FSLIC deposit insurance programs from \$15,000 to \$20,000, provided for Presidential standby authority to curb inflation, increased from \$1 billion to \$4 billion the authority for the Federal Home Loan Bank Board to borrow from the Treasury, and provided other means of fighting inflation and helping small business. S. 2577. PL 91-

Mutual fund reforms.—Amended those sections of the Investment Company Act of 1940 which pertain to investment company management fees, mutual fund sales commissions, and periodic payment or contractual plan sales commission; amended various provisions of the Federal securities laws to permit banks and savings and loan associations to operate commingled managing agency accounts in competition with mutual funds; amended other provisions of the Investment Company Act and the Investment Advisers Act to update and improve the administration and enforcement of these acts; and postponed until 18 months after enactment the effective date of the section of the bill that deals with oil and gas mutual funds. S. 2224. P/S 5/26.

Rates of interest and dividends on time and saving deposits.—Extended for an additional 3 months until December 22, 1969, flexible authority to regulate the rate of interest on savings deposits paid by financial institutions. PL 91-71.

Regional economic development legislation.—Revised and extended the Appalachian Regional Development Act of 1965 through June 30, 1971 and authorized for the 2-fiscal-year period, exclusive of highway construction funds, \$268.5 million; extended the highway portion of the program through June 30, 1973, and authorized \$695 million for the 4-fiscal-year period; extended title V of the Public Works and Economic Development Act for 2 years through June 30, 1971 and authorized for the 2-fiscal-year period \$255 million; and extended title I of the Public Works and Economic Development Act for 1 year which authorizes grants for construction of public facilities. PL 91-123.

Small Business Administration.—Increased the ceiling on the amount of loans which can be outstanding at one time for loans to State and local development companies under title V of the Small Business Investment Act from \$300 million to \$500 million. S. 2815. P/S 8/13.

Small Business Investment Act amendments.—Clarified SBA's authority to enter into guarantee agreements on loans made by private lending institutions to small business investment companies. S. 2540. P/S 8/13.

Trust Territory of the Pacific Islands.—Established a Trust Territory of the Pacific Islands Economic Development Loan Fund to promote the development of private enterprise and private industry in the trust territory; and brought the total economic development authorization fund to a \$5 million level. S. 232. P/S 10/23.

Uniform relocation assistance.—Provided for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal or federally assisted programs, and established uniform and equitable land acquisition policies for Federal and federally assisted programs. S. 1. P/S 10/27.

EDUCATION

Bureau of Indian Affairs teachers.—Reduced to a school year, from a full 12-month year, the time teachers appointed to positions in schools operated by the Bureau of Indian Affairs must agree to serve without

loss of travel and transportation expenses. S. 2619. P/S 12/8.

Educational TV.—Authorized \$20 million for fiscal 1970 and extended the appropriations authorization for the Public Broadcasting Act to July 1, 1974. Limited appropriations to \$15 million for each of the fiscal years 1971-73. PL 91-97.

Guaranteed student loans.—Provided increased funds for Federal programs of college student assistance by increasing the authorization of appropriations for the national defense student loan program, the educational opportunity grant program, and the college work-study program, and by authorizing emergency special payments to eligible lenders under the insured student loan program of title IV-B of the Higher Education Act of 1965. PL 91-95.

National Center on Educational Media for the Handicapped.—Authorized the Secretary of Health, Education, and Welfare to enter into an agreement with an institution of higher education for the purpose of establishing and operating a National Center on Educational Media and Materials for the Handicapped. PL 91-61.

National Commission on Libraries.—Established a National Commission on Libraries and Information Science as an independent component of the Office of the Secretary of Health, Education, and Welfare to develop and recommend overall plans for carrying out the national policy with respect to libraries and information science and to advise appropriate governmental agencies at all levels relative to the means of carrying out such plans. S. 1519. P/S 5/23.

NEA.—Liberalized the corporate power of the National Education Association; eliminated the board of trustees and transferred their duties to the executive committee of the association. PL 91-37.

National Science Foundation authorization.—Authorized a total of \$477,605,000 for fiscal year 1970. PL 91-120.

New Hampshire-Vermont compact.—Gave Congressional consent to the New Hampshire-Vermont interstate school compact. PL 91-21.

Scholarships and child-care centers.—Amended the Labor-Management Relations Act to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions or the establishment of child care centers for preschool and school age dependents of employees. PL 91-86.

FEDERAL EMPLOYEES

Additional supergrade positions.—Added 150 quota positions to the general pool of supergrade positions which the Civil Service Commission may establish: authorized additional supergrade positions for the Library of Congress, General Accounting Office, FBI, and other agencies; and removed supergrade limitations upon the National Security Agency and extended to it the same authority possessed by other agencies to establish and fill positions of this type. S. 2325. PL 91-

Central Intelligence Agency Retirement Act Amendments.—Made certain changes in the CIA Retirement Act of 1964 which will conform to certain changes already enacted into law with respect to the Civil Service Retirement Act (Public Law 91-93, effective October 31, 1969). HR 14571. PL 91-

Civil Service Commission revolving fund.—Increased the scope of the reimbursable services for which the revolving fund of the Civil Service Commission may be used and provided a 5-percent cost-of-living annuity increase for those who retire after November 1, 1969, and before January 2, 1970, and

whose retirement is based upon involuntary separation. HR 9233. PL 91-

Civil Service retirement.—Authorized annual payments directly from the Treasury to the Civil Service Retirement and Disability Fund equal to the lost interest on the unfunded liability of the Fund; increased employee and agency contributions from 6½ percent to 7 percent, effective 1/1/70, and increased contributions by Congressional employees to 7½ and Members of Congress to 8 percent; used "high-3" instead of "high-5" for computing civil service annuities; added 1 percent to cost-of-living increases for annuitants; permitted accumulated sick leave to be added to computation of annuity; and permitted Congressional employees to receive 2½ percent credit for all years of Congressional employment. PL 91-93.

Employment of aliens.—Authorized the Secretary of Commerce to employ aliens in a scientific or technical capacity. S. 1173. P/S 6/19.

Federal pay raises.—Provided that Federal employees in all executive agencies, up through GS-15 or its equivalent, receive a pay increase effective January 1, 1970, by a decreasing percentage, beginning with 4 percent for employees in pay grades the initial rate of which is now less than \$10,000; 3 percent for employees in grades between \$10,000 and \$15,000; 2 percent for employees in grades between \$15,000 and \$20,000; and 1 percent in other pay systems. H.R. 13000. P/S amended 12/12. In conference.

Government Printing Office apprentices.—Changed from 200 to 400 the limitation on the number of apprentices authorized to be employees of the Government Printing Office. H.R. 9366. PL 91-

Intergovernmental Personnel Act of 1969.—Strengthened intergovernmental cooperation and the administration of grant-in-aid programs; extended State and local merit systems to additional programs financed by Federal funds; provided grants for improvement of State and local governments for training their employees. S. 11. P/S 10/27.

Military retired pay adjustments.—Provided the same 1 percent add-on in the cost of living adjustment for military retirees that was provided for retired civil service employees under Public Law 91-93 which became effective October 31, 1969. H.R. 14227. P.L. 91-

National Zoological Park.—Removed all positions in the National Zoological Park police force from the classification system of the Civil Service Commission and authorized the Secretary of the Smithsonian, with certain limitations, to fix the salaries. PL 91-34.

Park Police age limit.—Granted the Secretary of Interior discretionary authority to fix a maximum age for entry into Park Police duty in the 29- to 31-year age range. PL 91-73.

Postmaster appointments.—Provided for the appointment of all postmasters at post offices of the first, second, and third class by the Postmaster General; and prohibited political recommendations from being taken into account in the appointment of any person to any position in the Post Office Department other than Presidential nominees and policy making employees. S. 1583. P/S 8/12.

Retirement benefits—PHS.—Equalized retirement benefits for members of the Commissioned Corps in the Public Health Service with the retirement benefits received by members of the uniformed services. S. 2452. P/S 10/20.

Travel per diem increase for Federal civilian employees.—Increased from \$16 to \$25 the maximum per diem allowance for travel in the continental United States; from \$30 to \$40 for actual expenses; and from \$10

to \$18 per day the maximum actual expenses reimbursement for foreign travel authorized to be paid in addition to the maximum per diem established for the area involved. PL 91-114.

Travel per diem for members of uniformed services.—Increased for members of the uniformed services the maximum rates of per diem in lieu of subsistence from \$16 to \$25 per day and increased the maximum amount which may be reimbursed when actual expenses are paid from \$30 to \$40 per day. HR 944. PL 91-183.

GENERAL GOVERNMENT

Cabinet Committee on Opportunities for Spanish-Speaking People.—Established the Cabinet Committee to assure that Federal programs are reaching all Mexican Americans, Puerto Rican Americans, Cuban Americans, and all other Spanish-speaking and Spanish-surnamed Americans and providing assistance they need, and to seek out new programs that may be necessary to handle problems that are unique to such persons. S. 740. PL 91-183.

Chickamauga and Chattanooga National Military Park, Ga., property disposal.—Authorized the disposal, under the Federal Property and Administrative Services Act, of certain excess lands presently included in the Chickamauga and Chattanooga National Military Park. The lands are to be used for educational purposes but will revert to the United States unless so utilized. HR 9163. PL 91-150.

Commerce Department special services.—Provided more uniform authority for the Secretary of Commerce to undertake Special Studies, and to perform services pertaining to matters within the province of the Commerce Department. S. 1170. P/S 11/20.

Commission on Government Procurement.—Established a 12-member Commission on Government Procurement which would be directed to make a study of Federal procurement statutes, policies, rules, regulations, procedures, and practices, and submit a final report of its findings and recommendations to Congress within 2 years from the date of enactment and cease to exist 120 days after the submission of its final report. PL 91-129.

Commission on Population Growth and the American Future.—Established the Commission on Population Growth and the American Future to conduct and sponsor studies and research and to make such recommendations as are necessary to provide information and education at all levels of government in the United States, and to the public, regarding a broad range of problems associated with population growth and their implication for America's future. S. 2701. P/S 9/29.

Copyright protection.—Continued until December 31, 1970, the renewal term of any copyright subsisting on the date of approval of this resolution, or the term as extended by PL 87-668, by PL 89-442, by PL 90-141 or PL 90-416, where such term would otherwise expire prior to December 31, 1970. PL 91-147.

Council on youth opportunity.—Authorized appropriations for the operation of the President's Council on Youth Opportunity. H.J. Res. 764. PL 91-176.

John F. Kennedy Center.—Increased by \$7.5 million (to \$23 million) the Federal share for construction of the John F. Kennedy Center and by \$5 million (to \$20.4 million) the borrowing authority for the construction of underground parking facilities. PL 91-90.

Management of fish and resident wildlife on Federal land.—Confirmed the historic patterns that have evolved in the United States in connection with fish and resident wildlife and requires that, with certain exceptions, the taking of fish and resident wildlife on federally owned lands be accomplished

within the framework of State law. S. 1232. P/S 12/8.

Medical supplies.—Authorized the head of any Federal department or agency who is responsible for the storage of medical materials or medical supplies held for a national emergency to determine when the shelf life is of too short duration for continued retention. S. 406. P/S 9/26.

Metric system study.—Authorized a total appropriation of \$2.5 million, over a 3-year period, to enable the Secretary of Commerce to conduct the study of the metric system authorized last year by PL 90-472. S. 1287. P/S 5/14. H. Cal.

Office of Intergovernmental Relations.—Authorized the appropriations of such sums as may be necessary for the expenses of the Office of Intergovernmental Relations established by Executive Order February 14, 1969, to advise and assist the Vice President with respect to his intergovernmental relations responsibilities as the President's liaison with executive and legislative officials of State and local governments. S.J. Res. 117. P/S 9/29. P/H amended 12/16.

Standard Reference Data Act authorization.—Authorized the appropriation of not to exceed \$6 million for fiscal years 1970 and 1971 to the Commerce Department to carry out the Standard Reference Data Act. PL 91-131. (PR)

Surplus property for public museums.—Made public museums, such as public libraries, eligible to secure surplus property which is usable and necessary for purposes of education, public health, or for research for any such purpose. S. 2210. P/S 9/26.

Virgin Islands voting age.—Authorized the Virgin Islands legislature to lower the voting age to less than 21 years upon approval by a majority of the voters, in a referendum held for that purpose. S. 2314. P/S 10/28.

HEALTH

Child Protection and Toy Safety Act.—Amended the Federal Hazardous Substances Act so that the Secretary of Health, Education, and Welfare, in order to protect children from serious injury and illness, may ban from the marketplace toys and other articles intended for use by children which present electrical, mechanical, and thermal hazards. PL 91-113.

Clean Air Act amendments.—Granted a 1-year extension of the authorization for research relating to fuels and vehicles under the provisions of the Clean Air Act, and authorized \$45 million for fiscal year 1970 for special research projects. PL 91-137.

Communicable disease control.—Authorized a 3-year program of project grants to continue our present commitment to States and local governments for assistance in eliminating diseases that are susceptible to vaccination or communicable disease control programs; and authorized \$60 million for fiscal 1970, \$75 million for each of fiscal years 1971 and 1972. S. 2264. P/S 10/20.

Community mental health centers amendments.—Improved and extended for 3 years the Community Mental Health Centers Act, authorizing for construction grants \$95 million for fiscal year 1971 and \$115 million for each of fiscal years 1972 and 1973 and for grants for operations \$60 million for each of fiscal years 1971 and 1972 and \$80 million for fiscal year 1973. Extended the alcoholism and narcotics addict rehabilitation portion of the law for two years and fixed the authorization therefor at \$25 million for fiscal year 1971 and \$30 million for fiscal year 1972. Added a program of special services for children and authorized therefor \$18 million for fiscal year 1971, \$30 million for fiscal year 1972, and \$45 million for fiscal year 1973. S. 2523. P/S 12/11. P/H amended 12/16.

Medicaid.—Provided for a 2-year suspen-

sion of the law requiring States to constantly expand the benefits of Medicaid so that such services will be provided to all indigent residents. PL 91-56.

Medical libraries and health communications.—Extended for 3 years, through June 30, 1973, the current program of assistance for medical library and other health information services and facilities; and increased the total authorization for funding these programs from the current \$21 million a year to \$25 million in fiscal 1973. HR 11702. In conference.

Migrant health services.—Extended until June 30, 1973, the authority of the Public Health Service Act to improve health services and the health conditions of domestic agricultural migratory workers and their families, and provided for this purpose increased funding authorizations of \$20 million for fiscal year 1971, \$25 million for fiscal year 1972, and \$30 million for fiscal year 1973. HR 14733. P/S amended 12/19.

National Commission on Product Safety.—Extended the life of the National Commission on Product Safety from November 20, 1969, to no later than June 30, 1970. PL 91-51.

Public Health Cigarette Smoking Act.—Provided adequate warning to the public of the hazards of cigarette smoking through strengthened cautionary labeling of all cigarette packages and prohibited after January 1, 1971, all television and radio broadcasting of cigarette advertisements. HR 6543. P/S amended 12/12.

Public health training.—Extended until June 30, 1975 the existing programs of formula grants for schools of public health, project grants for graduate training in public health, and traineeships for professional public health personnel, and authorized appropriations of \$263 million for fiscal years 1971 through 1975 for these programs. S. 2809. P/S 12/11. P/H amended 12/16.

Water pollution control.—Authorized the Federal Government to clean up oil spills; required Federal licensees and permittees to comply with water quality standards as a precondition of the license or permit; subjects vessel sewage to new methods of control; provided for consideration of environmental policies and brings other environmental policies into all other Federal programs. HR 4148. In conference.

HOUSING

Alaska Omnibus Act amendment.—Extended to June 30, 1967 the time in which funds appropriated under the 1964 Alaska Omnibus Act can be utilized for urban rehabilitation and development from damages resulting from the disastrous "Good Friday" earthquake of 1964. S. 778. P/S 12/12.

Housing programs.—Extended for 3 months, until January 1, 1970, all Federal housing programs which would otherwise expire on October 1, 1969. PL 91-78.

Housing and Urban Development Act of 1969.—Authorized \$4.7 billion over the next two years for Federal Housing Administration programs, urban renewal, model cities, rent supplement, and public housing; provided rent subsidies for tenants of public housing; extended Federal Housing Administration loan guarantees to mobile homes; and raised the ceiling on the amounts that could be spent per room for constructing public and federally assisted housing. S. 2864. PL 91-1.

Paraplegic veterans.—Extended the eligibility requirements governing the grant of assistance in acquiring specially adapted housing for paraplegic veterans to include loss or loss of use of a lower extremity and other service-connected neurological or orthopedic disability which impairs locomotion to the extent that a wheelchair is regularly required. PL 91-22.

IMMIGRATION

Immigration and Nationality Act amendment.—Repealed a provision in the Act which provides that U.S. citizenship cannot be acquired through naturalization during a period of 60 days preceding a general election. PL 91-136.

Western Hemisphere immigration.—Facilitated the entry into the U.S. of executive officers and managerial personnel of Western Hemisphere businesses having branch offices, affiliates, or subsidiary corporations in the U.S. S. 2593. P/S 8/13.

INDIANS

American Indian rights.—Clarified titles II and III of the Civil Rights Act of 1968 by providing that title II shall not be construed to affect any tribal property rights secured by law or treaty or to dilute the sovereignty of the tribal governments except to the extent of the prohibitions upon governmental action expressly set forth in title II, and by providing that the model code in title III will not become applicable to any tribe unless it is first adopted by the tribal council or other governing body of the tribe. S. 2173. P/S 7/11.

Cheyenne River Sioux Tribe.—Provided that all right, title, and interest of the U.S. in 640 acres located at an old school site, together with all improvements, except fencing owned by an Indian permittee, shall be held in trust by the U.S. for the Cheyenne River Sioux Tribe. PL 91-104.

Flathead Reservation in Montana.—Provided for the disposition of an award in the amount of \$190,399.97 to the Confederated Salish and Kootenai Tribes of the Flathead Reservation in Montana. PL 91-75.

Fort Berthold Reservation.—Declared that the United States shall hold certain lands in trust for the Three Affiliated Tribes of the Fort Berthold Reservation. PL 91-100.

Indian land.—Compensated the Indians of California for the value of land erroneously used as an offset against a judgment. The offset was \$83,275, plus interest at 4 percent from December 4, 1944. PL 91-64.

Indians of the Pueblo of Laguna.—Declared that the United States will hold approximately 1,016.65 acres of excess federally owned land in trust for the Laguna Pueblo, New Mexico. PL 91-112.

Loans.—Authorized the Secretary of Agriculture, through the Farmers Home Administration, to make loans to any Indian tribe or tribal corporation for the purpose of acquiring lands within the tribe's reservation. S. 227. P/S 9/12.

Long-term leases.—Authorized longer term leases of Indian trust or restricted lands located outside the boundaries of Indian reservations in New Mexico S. 1609. P/S 8/13.

Long-Term Leasing Act.—Increased from 50 to 65 years the maximum term of leases of individual and tribal lands for public, religious, educational, recreational, residential, and business purposes. S. 204. P/S 8/13.

National Council on Indian Opportunity.—Established an annual ceiling of \$300,000 for the expenses of the National Council on Indian Opportunity, and stated that the Council shall terminate in five years unless Congress provides otherwise. PL 91-125.

Navajo Indian Reservation.—Amended the Navajo-Hopi Rehabilitation Act of 1950, to increase the total amount authorized for roads and trails by \$5 million in order to construct and improve a road on the Navajo Reservation. S. 404. P/S 8/13.

Rosebud Sioux Indian Reservation.—Amended the 1963 act which authorized the sale or exchange or mortgaging of isolated tracts of tribal land on the reservation, to provide that any lands mortgaged shall be

subject to foreclosure and in accord with the laws of South Dakota. PL 91-115.

Southern Ute Tribe.—Transferred the title to 214.37 acres of excess Federally-owned land located in La Plata County, Colorado, to the United States to be held in trust for the Southern Ute Indian Tribe. HR 12785. PL 91-

INTERNATIONAL

Cuban claims program.—Extended until July 6, 1972, the time within which the foreign Claims Settlement Commission shall complete its affairs in connection with the Cuban claims program (title V of the International Claims Settlement Act of 1949, as amended). HR 11711. PL 91-

Foreign assistance authorization.—Extended the foreign assistance program through June 30, 1971, and authorized for fiscal year 1970, \$1,972,525,000 (\$1,622,525,000 in economic aid and \$350 million in military aid). For economic aid \$350 million is for development loans, \$20 million for a desalting plant for Israel, if development of such a plant is feasible, \$183.5 million for technical cooperation and development grants, \$25.9 million for American schools and hospitals abroad, \$428,250,000 for the Alliance for Progress, \$122,620,000 for international organizations and programs, \$414,600,000 for supporting assistance, \$15 million for the contingency fund, and \$51,125,000 for administrative expenses for the Agency for International Development, \$1,936,525,000, is authorized for fiscal year 1971, with sums identical to those for 1970, with certain exceptions. HR 14580. PL 91-

Foreign governments recognition.—Expressed as the sense of the Senate that when the United States recognizes a foreign government and exchanges diplomatic representatives with it, this does not of itself imply that the United States approves of the form, ideology, or policy of that foreign government. S. Res. 205. Senate adopted 9/25/69.

Greek Government.—Expressed the sense of the Senate that the United States exert all possible effort to influence a speedy return to a constitutional government in Greece. S. Res. 298. P/S 12/12.

International Development Association.—Authorized the United States to contribute \$480 million to the World Bank's IDA over the next 3 years. PL 91-14.

International expositions.—Provided for Federal Government recognition of and participation in international expositions to be held in the United States. S. 856. P/S 6/18.

National commitment.—Defined national commitment as the use of Armed Forces on foreign territory, or a promise to assist a foreign government by use of Armed Forces or financial resources, and expressed as the sense of the Senate that a national commitment could result only from affirmative action taken by the executive and legislative branches by means of a treaty, statute or concurrent resolution of both Houses of Congress providing for such a commitment. S. Res. 85. Senate adopted June 25, 1969.

Patent conference.—Authorized the Secretaries of State and Commerce, in consultation with other interested parties, to arrange to convene an international conference to negotiate a Patent Cooperation Treaty and authorized the appropriation of \$175,000 for this purpose. S.J. Res. 90. PL 91-

Peace Corps amendments.—Authorized \$98,450,000 for the Peace Corps for fiscal 1970. PL 91-99.

United Nations Conference on Human Environment in 1972.—Stated the sense of the Senate that the United States should actively support and participate in the 1972 United Nations Conference on Environment and undertake such preparations as necessary to enable United States participation. S. Res. 179. P/S 11/10.

TREATIES

Agreement with Canada on adjustments in flood control payments.—Provided that the United States pay \$278,000 to Canada as a result of its early completion of the Arrow and Duncan dam projects constructed pursuant to the Columbia River Treaty. Ex. H (91-1). Resolution of ratification agreed to 11/10/69.

Agreement with Canada on Niagara River diversions.—Provided for the temporary diversion of water from the American Falls of the Niagara River for power production purposes pending a study of ways to prevent the continued erosion of the rock underneath. Ex. C (91-1). Resolution of ratification agreed to 5/13/69.

Broadcasting agreements with Mexico.—Encompassed two related but separate agreements concerning radio broadcasting in the standard broadcasting band and the operation of broadcasting stations in the standard band at presunrise and postsunrise. Ex. B (91-1). Resolution of ratification agreed to 6/19/69.

Consular convention with Belgium.—Replaced a consular convention of 1880 and deals with consular relations between the United States and Belgium and sets forth, as customary, the functions, privileges, and immunities of consular officers. Ex. F (91-1). Resolution of ratification agreed to 11/10/69.

Convention on Offenses Committed on Board Aircraft.—Established international rules providing for continuity of jurisdiction with respect to crimes and other offenses committed on board aircraft engaged in international aviation. Ex. L (90-2). Resolution of ratification agreed to 5/13/69.

Nonproliferation of nuclear weapons.—Retarded the further spread of nuclear weapons by prohibiting the nuclear weapon States party to the treaty from transferring nuclear weapons to others and by barring the nonnuclear-weapon countries from receiving, manufacturing, or otherwise acquiring nuclear weapons. Ex. H (90-2). Resolution of ratification agreed to 3/13/69.

North Atlantic fishing operations.—Established a uniform set of rules and regulations to govern the conduct of fishing operations in the North Atlantic fisheries zone which encompasses the area north of a line drawn between Gibraltar and Cape Hatteras. Ex. D (91-1). Resolution of ratification agreed to 10/22/69.

Vienna Convention on Consular Relations.—Because the first multilateral agreement governing the regulation of consular relations between States. The accompanying Optional Protocol provides for the compulsory settlement of disputes arising out of the interpretation or application of the convention. Ex. E (91-1). Resolution of ratification agreed to 10/22/69.

JUDICIAL

Administrative conference appropriations ceiling.—Increased the authorized annual appropriations for the work of the Administrative Conference of the United States from the present ceiling of \$250,000 per annum to a new ceiling of \$450,000 per annum. HR 4244. PL 91-

Customs Courts Act.—Modernized procedures in the Custom Court and related administrative processes in the Bureau of Customs so that the Court and the Bureau will be better able to cope effectively and expeditiously with their rapidly expanding workload. S. 2624. P/S 12/9.

Emergency Detention Act repeal.—Repealed the emergency detention provision of the Internal Security Act of 1950 to remove a threat to the established freedom of American citizens and their constitutional rights. S. 1872 P/S 12/22.

Jurisdiction of U.S. courts.—Provided courts of the United States with jurisdiction

over contract claims against non appropriated fund activities of the U.S. S. 980. P/S 6/30.

Louisiana additional judicial district.—Created an additional judicial district in the State of Louisiana by dividing the present Eastern District of Louisiana into two districts, the Eastern and Middle districts. S. 1646. P/S 12/9.

National Commission on Reform of Federal Criminal Laws.—Extended to 11/8/70 the time within which the Commission shall submit its final report and increased the authorization from \$500,000 to \$850,000 with authority for the Commission to carry over any funds not expended in 1970 into 1971. PL 91-39.

Omnibus judgeship bill.—Created 70 new district judgeships of which 67 are permanent and 3 are temporary throughout the United States. S. 952. P/S 6/23.

Prince Georges County Court, Md.—Authorized the United States District Court for the District of Maryland to sit at a suitable site in Prince Georges County, as well as at Baltimore, Cumberland, and Denton, Maryland. S. 981. P/S 10/6.

Retirement of U.S. judges.—Provided for retirement benefits to Federal judges and justices after 20 years of service regardless of their age. S. 1508. P/S 10/29.

LABOR

Construction workers.—Promoted health and safety standards in the construction industry by authorizing the Secretary of Labor to set standards which contractors and subcontractors would be required to meet on Federal, federally financed, or federally assisted construction. PL 91-54.

Federal Coal Mine and Health and Safety Act of 1969.—Improved the health and safety conditions and practices at underground coal mines; provided protection in all other coal mines, including surface mines, not now covered by the Federal Coal Mine Safety Act as amended; established health standards; provided authority for the Interior Department to promulgate improved mandatory health and safety standards for all coal mines by regulation; authorized a disability benefit program for miners totally disabled due to pneumoconiosis and widows of miners whose death was due to pneumoconiosis; and authorized a \$75 million research program to determine if pneumoconiosis can be cured or prevented. S. 2917. PL 91-

Manpower Development and Training Act amendment.—Authorized \$100,000 as the minimum amount which can be apportioned to the Trust Territory of the Pacific Islands for job training. PL 91-4.

MEMORIALS AND TRIBUTES

American Fisheries Society Centennial Medal.—Provided for striking medals in commemoration of the 100th anniversary of the founding of the American Fisheries Society on December 20, 1870. PL 91-13.

American motion picture.—Designated 1969 as the Diamond Jubilee year of the American Motion Picture. H. Con. Res. 165. House adopted 4/21; Senate adopted 5/5.

American Revolution Bicentennial Commission.—Extended the reporting date of the Commission from July 4, 1969 to July 4, 1970, and extended the authorization for appropriations from fiscal year 1969 to fiscal year 1970. PL 91-84.

Apollo 11.—Commended the Apollo 11 astronauts on their successful lunar expedition. S. Res. 224. Senate adopted 7/25.

Baseball centennial.—Extended congratulations of Congress to organized baseball to commemorate its 100th anniversary in 1969. H. Con. Res. 300. House adopted 7/15; Senate adopted 7/17.

Carl Hayden Project.—Renamed the Central Arizona Project as the Carl Hayden Project. S.J. Res. 28. P/S 3/24.

Chouteau Lock and Dam, Okla.—Authorized the lock and dam numbered 17 on the Verdigris River, Oklahoma, to be named for the Chouteau family. S. 1499. P/S 9/5.

Congressional space medals of honor.—Authorized the President to award, and present in the name of Congress, a medal of appropriate design, which shall be known as the Congressional Space Medal of Honor, to any astronaut who in the performance of his duties has distinguished himself by exceptionally meritorious efforts and contributions to the welfare of the Nation and of mankind. PL 91-76.

Dartmouth College.—Expressed congratulations of Congress to Dartmouth College on the occasion of the 200th anniversary of its founding. H. Con. Res. 114. House adopted 4/29; Senate adopted 6/19.

Eisenhower Dam.—Renamed Glen Canyon Dam as the Dwight D. Eisenhower Dam. S. 1613. P/S 6/30.

Eisenhower Dollar.—Authorized the minting of approximately 300 million 40 percent silver dollars bearing the likeness of the late President Dwight David Eisenhower. S.J. Res. 158. P/S 10/15; P/H amended 10/15.

Eisenhower National Historic Site.—Authorized \$1,081,000 for the development of the Eisenhower National Historic Site at Gettysburg, Pa., designated as such in 1967. PL 91-133.

Everett Bridge.—Named the Tennessee-Missouri Bridge, now under construction across the Mississippi River linking the States of Tennessee and Missouri, in honor of the late Congressman Robert A. Everett from the 8th Congressional District of Tennessee. S. 769. P/S 2/4.

Francis Asbury statue.—Authorized the Secretary of Interior to permit the removal of the Francis Asbury statue from its present location at 16th and Mt. Pleasant Streets, N.W., in the District of Columbia, and authorized the conveyance of title to the Methodist Corporation. S. 1968. P/S 10/23.

Frederick Douglass home.—Increased from \$25,000 to \$413,000 an authorization for the restoration and development of buildings and grounds at Cedar Hill, where the Frederick Douglass Home memorial is located in the District of Columbia. PL 91-109.

High speed photography.—Expressed the sense of Congress that all interested Federal agencies should participate actively in the Ninth International Congress on High-Speed Photography to be held in Denver, Colorado, in August of 1970. S. Con. Res. 12. Senate adopted 6/16; House adopted 11/3.

Lyndon B. Johnson National Historic Site.—Established the Lyndon B. Johnson National Historic Site at or in the vicinity of Johnson City, Texas, and authorized \$180,000 for its development. PL 91-134.

National Day of Prayer for American prisoners in North Vietnam.—Provided that November 9, 1969 be declared a national day of prayer and concern on behalf of the American servicemen being held prisoner by the North Vietnamese. PL 91-111.

St. Lawrence Seaway.—Recognized the 10th anniversary of the opening of the St. Lawrence Seaway. S. Con. Res. 17. Senate adopted 6/19; House adopted, amended, 6/24; Senate concurred 6/26/69.

Taft Historic Site.—Established the birthplace of William Howard Taft, the 27th President of the United States, as a National Historic Site located at or in the vicinity of Auburn Avenue in Cincinnati, Ohio, and authorized \$318,000 for its restoration and development. PL 91-132.

U.S. Diplomatic Courier Service.—Authorized the Secretary of the Treasury to strike bronze medals in commemoration of the fiftieth anniversary of the U.S. Diplomatic Courier Service. PL 91-48.

Winston Churchill Medal.—Provided for striking a medal in honor of the dedication

of the Winston Churchill Memorial and Library at Fulton, Missouri, in May, 1969. PL 91-12.

PRESIDENCY

Mail.—Authorized free postage for Mrs. Mamie Doud Eisenhower, widow of former President Dwight David Eisenhower. PL 91-10.

Pay increase.—Provided a \$100,000 pay increase for the President of the United States. PL 91-1.

PROCLAMATIONS

Adult Education Week.—Authorized the President to issue a proclamation designating the period September 1-7, 1969 as "Adult Education Week." S.J. Res. 45. P/S 5/5.

Day of Bread and Harvest Festival.—Authorized the President to issue a proclamation designating October 28, 1969 as a "Day of Bread" as a part of international observances, and that the last week of October within which it falls be designated as a period of "Harvest Festival." PL 91-91.

Helen Keller Memorial Week.—Authorized the President to issue a proclamation designating the first week in June of 1969 as "Helen Keller Memorial Week." PL 91-17.

National Adult-Youth Communications Week.—Authorized the President of the United States to issue a proclamation designating the week of September 28 through October 4, 1969, as "National Adult-Youth Communication Week." PL 91-72.

National Archery Week.—Authorized the President to issue a proclamation designating the 7-day period beginning August 26, 1969, and ending October 18, 1969, as National In-Archery Week." PL 91-55.

National Blood Donor Month.—Authorized and requested the President to proclaim the month of January of each year as National Blood Donor Month. S.J. Res. 154. PL 91-

National Family Health Week.—Authorized the President to issue a proclamation designating the period November 16-22, 1969, as "National Family Health Week." PL 91-87.

National Industrial Hygiene Week.—Designated the period beginning October 12, 1969, and ending October 18, 1969, as "National Industrial Hygiene Week." PL 91-92.

Olympic Games in 1976.—Authorized and requested the President to issue a proclamation welcoming all Olympic delegations authorized by the International Olympic Committee to come and actively participate in the 1976 Olympic games, if they are to be held in the cities of Los Angeles or Denver. S.J. Res. 131. P/S 11/10.

Professional Photography Week.—Authorized the President to issue a proclamation designating the period June 8-14, 1969, as "Professional Photography Week in America." PL 91-23.

Volunteers of America Week.—Authorized and request the President to proclaim the second week of March 1970 as Volunteers of America Week. H.J. Res. 10. PL 91-

Von Steuben Memorial Day.—Authorized the President to issue a proclamation designating September 17, 1969 as "General von Steuben Memorial Day" to commemorate his birth and services to the United States. PL 91-70.

REORGANIZATION

Authority extension.—Extended to April 1, 1971, the authority of the President to submit reorganization plans to the Congress proposing reorganizations in the executive branch of the Government. PL 91-5.

HEW—Appointments and confirmations.—Required that future appointments in the following positions in HEW be made by the President and confirmed by the Senate: Administrator of the Social and Rehabilitation Service; Commissioner of Rehabilitation Services Administration; Commissioner of Medical Services Administration; and Commissioner of Assistance Payments Administration. S. 1022. P/S 3/4.

Plan No. 1.—Reorganization of Interstate Commerce Commission to permit the President to designate the Chairman and to vest administrative authority in the Chairman. Effective October 11, 1969.

RESOURCES BUILDUP

Apostle Islands.—Authorized the establishment of the Apostle Islands National Lakeshore in Wisconsin and authorized \$6,660,000 for land acquisition and \$8,257,700 for development of the project. S. 621. P/S 6/26.

Buffalo National River.—Authorized the Secretary of Interior to establish the Buffalo National River on not more than 95,730 acres in the Ozark Mountains of northwest Arkansas. S. 855. P/S 9/3.

El Dorado National Forest.—Designated 63,469 acres in the El Dorado National Forest in California as a Wilderness preservation area. PL 91-82.

Environmental quality.—Established an independent, high-level three-member Board of Environmental Quality in the Executive Office of the President to provide an analysis and interpretation of environmental trends and the factors which affect these trends, and authorized to carry out the purposes of this National Environmental Policy Act \$300,000 for fiscal year 1970, \$700,000 for fiscal year 1971, and \$1 million for each fiscal year thereafter. S. 1075. PL 91-82.

Everglades National Park, Fla.—Authorized \$800,000 to acquire a 6,640-acre inholding in the Everglades National Park under option to the National Park Service and due to expire November 16, 1969. PL 91-88.

Feasibility studies.—Authorized the Secretary of Interior to undertake feasibility investigations of eight water resource development projects which may subsequently be presented for authorization by the Congress as elements of the Federal Reclamation Program. PL 91-81.

Fish and wildlife endangered species.—Prevented the importation into the United States of species of fish or wildlife threatened with extinction; made unlawful the sale or purchase of domestically endangered species taken in violation of the laws or regulations of a State or foreign country; and authorized the appropriation of \$1 million for each of fiscal years 1970, 1971, and 1972 to enable the Secretary of the Interior to acquire lands to conserve, protect, restore, or propagate such species. PL 91-135.

Florissant fossil beds.—Established the Florissant Fossil Beds as a National Monument in the State of Colorado. PL 91-60.

Fort Donelson National Battlefield, Tenn.—Authorized the appropriation of \$12,721,25, plus interest, for the acquisition of lands for the Fort Donelson National Battlefield in Tennessee. PL 91-146.

Golden Eagle Program.—Restored the golden eagle program to the Land and Water Conservation Fund Act, and guaranteed free access to and use of Federal lakes and reservoirs under the jurisdiction of the U.S. Army Corps of Engineers. S. 2315. P/S 9/24.

Great Smoky Mountains National Park.—Authorized construction of an entrance road at Great Smoky Mountain National Park, North Carolina. PL 91-108.

Independence National Historical Park.—Provided an increase of \$3,250,000 in the funds authorized to be appropriated for Independence National Historical Park in Philadelphia, Pennsylvania, so as to acquire the last remaining tract of commercial land within the boundaries of the park. S. 2940. P/S 12/8.

Interstate oil compact.—Granted the consent of Congress to a 2-year extension (to September 1, 1971) of the Interstate Compact to Conserve Oil and Gas. S.J. Res. 54. PL 91-158.

Kennewick-Yakima project.—Authorized \$6,735,000 to construct an extension to the existing Kennewick division of the Yakima reclamation project in southeastern Wash-

ington to irrigate an additional 6,300 acres. PL 91-66.

Kortez unit of the Missouri River Basin.—Authorized the Secretary of Interior to modify the operation of the Kortez unit of the Missouri River Basin project, Wyoming for fishery conservation. S. 40. P/S 8/13.

Lake Tahoe regional planning compact.—Granted Congressional consent of Congress to the California-Nevada Lake Tahoe regional planning compact and authorized the Secretary of the Interior and others to cooperate with the planning agency thereby created. S. 118. PL 91-148.

Lincoln back country, Mont.—Authorized the Secretary of Agriculture to classify as wilderness the national forest lands known as the Lincoln Back Country, and parts of the Lewis & Clark and Lolo National Forests, in Montana. S. 412. P/S 5/29.

Monomoy Wilderness.—Designated the 2,600-acre Monomoy Island, located in the Monomoy National Wildlife Refuge in Barnstable County, Mass., as part of the National Wilderness Preservation System. S. 1652. P/S 5/23.

National Council on Marine Resources and Engineering Development.—Extended to June 30, 1970 the National Council and reduced the annual authorized appropriation from \$1.5 million to \$1.2 million. PL 91-15.

National minerals policy.—Established a national mining and minerals policy to foster and encourage the development of the domestic mining and minerals industry, the development of domestic mineral resources to meet industrial and security needs, and mining, mineral, and metallurgical research. S. 719. P/S 9/5.

Navajo Indian irrigation project.—Increased the amount of appropriations authorized for project construction from \$135 million to \$175 million and included 8 additional townships in the area from which the project lands may be obtained. S. 203. P/S 8/12.

Oil and gas leases.—Conferred discretionary authority on the Secretary of Interior to prevent, administratively, termination of certain oil and gas leases on Federal lands and reinstated terminated leases under certain limitations and conditions. S. 1193. P/S 6/2.

Padre Island.—Authorized \$4,129,829, plus interest, to satisfy a judgment against the United States in a condemnation action in the U.S. District Court for the Southern District of Texas, for the acquisition of lands and interests in land for the Padre Island National Seashore. PL 91-42.

Parks and recreation.—Authorized the sale of surplus Federal properties at less than the full 50 percent of fair market value to make surplus Federal property suitable for park and recreational uses more readily available to State and local governments. Required the Congress have 60 days to disapprove such sale. S. 1708. P/S 6/26.

Pelican Island wilderness.—Designated approximately 403 acres of the Pelican Island National Wildlife Refuge in Florida as part of the National Wilderness Preservation System. S. 126. P/S 5/23.

Public ownership of lands in Federal reclamation projects.—Clarified the acreage limitation provisions of the Federal reclamation laws with respect to lands owned by a State or local government entity or subdivision. S. 2062. P/S 10/30.

Saline water conversion program.—Authorized \$26 million for fiscal 1970. Of this amount \$17,223,000 is for research and development operating expenses; \$5,355,000 is for design, construction, acquisition, modification, operation, and maintenance of saline water conversion test beds and test facilities; \$1,450,000 is for design, construction, acquisition, modification, operation, and maintenance of saline water conversion modules; and \$1,972,000 is for administration and coordination. PL 91-43.

Sawtooth National Recreation Area.—Establish the Sawtooth National Recreation Area, in Idaho, to preserve and protect the scenic, historic, pastoral, fish and wildlife and other recreational values of the Sawtooth Mountains and adjacent valley lands. S. 853. P/S 7/2.

Tocks Island Dam.—Amends existing law providing for the development of the Tocks Island Dam and Reservoir, Delaware River Basin, to permit the head and water releases of the project to be utilized as part of a comprehensive pumped-storage hydroelectric power project by certain New Jersey electric companies. S. 2678. P/S 7/30.

Touchet-Walla Walla project.—Authorized \$22,774,000 for the construction and operation of the Touchet division of the Walla Walla reclamation project in southeastern Washington which will supply irrigation water to approximately 9,960 acres of land. S. 743. P/S 3/24.

Upper Niobrara River compact.—Granted congressional consent to the upper Niobrara River compact between the States of Wyoming and Nebraska. PL 91-52.

Ventana Wilderness.—Designated approximately 98,000 acres in the Los Padres National Forest in California as the Ventana Wilderness. PL 91-58.

Wilderness areas in Michigan, Wisconsin, and Maine.—Designated as units of the National Wilderness Preservation System the Seney, Huron Islands, and Michigan Islands Wilderness in the State of Michigan, the Wisconsin Islands Wilderness in the State of Wisconsin, and the Edmunds Wilderness and Birch Islands Wilderness in the State of Maine. All of the lands included are presently within the National Wildlife Refuge System. S. 826. P/S 5/26.

Wilderness areas in Oregon, Alaska, Washington, and New Mexico.—Designated as units of the National Wilderness Preservation System the Three Arch Rocks and Oregon Islands National Wildlife Refuges, in Oregon; The Bering Sea, Boggs, Tuxedni, St. Lazarus, Hazy Islands, and Forrester Island National Wildlife Refuges, all in Alaska; the Copalis, Flattery Rocks and Quillayute Needles National Wildlife Refuges in the State of Washington, and the Bitter Lake National Wildlife Refuges in New Mexico. S. 3014. P/S 12/12.

Youth Conservation Corps.—Established a pilot Youth Conservation Corps program for young men and women, 14-18 years of age, who would participate in summer work and educational projects in our national parks, forests, recreation areas, wildlife refuges and other public lands administered by the Departments of Interior and Agriculture for periods up to 90 days. S. 1076. P/S 6/26.

SPACE

NASA authorization.—Authorized appropriations totaling \$3,715,527,000 to the National Aeronautics and Space Administration for fiscal 1970. Of this total \$58,200,000 is for construction of facilities, \$3,019,927,000 for research and development, and \$637,400,000 for research and program management; and required disclosure of certain information by former employees, GS-15 and above, of NASA who are employed by aerospace contractors doing \$10 million or more annual business with NASA. PL 91-119.

TAXES

Interest equalization extension—Gun registration.—Extended the interest equalization tax until March 31, 1971; modified the President's discretionary authority to vary the tax rates so he may prescribe a lower rate of tax for new issues than the rate applicable to outstanding issues; and modified the Gun Control Act of 1968 to repeal the registration requirements related to persons purchasing shotguns and rifles, or component parts of these types of ammunition. PL 91-128.

State taxation of national banks.—Granted States and their subdivisions the opportunity

to tax banks within their jurisdiction in the same way they tax other business. H.R. 7491—PL 91-.

Surtax.—Extended the 10 percent surtax through December 31, 1969. PL 91-53.

Tax reform.—Made substantive and comprehensive reforms in the tax laws and granted tax relief to persons in the low and middle income brackets. Some of the major provisions increased the personal income tax exemption from \$600 graduated to \$750 in 1972; granted a 15 percent Social Security increase effective January 1, 1970; extended the tax surcharge through June 30, 1970 at a 5 percent rate; reduced surtax exemptions; postponed excise tax reductions; terminated the investment tax credit in April, 1969; benefitted single persons by lowering their tax rates; granted an \$1,100 low income allowance and \$2,000 minimum standard deduction (\$1,500 until 1972) to remove about 5.1 million poor families from the tax rolls; imposed a 10 percent "supertax" on "preference" income; reduced the oil depletion allowance from 27½ percent to 22 percent; made changes in the tax exemption of private foundations; phased out the unlimited charitable deduction; changed the rules for depreciation of real estate; changed taxation of banks and savings and loan associations; tightened farm loss rules; reduced anti-trust treble damage payment deductions. HR 13270. PL 91-

Unemployment tax.—Accelerated the collection of Federal unemployment taxes by requiring they be paid quarterly rather than annually; phased in the transition from an annual to quarterly basis over a 3-year period; and exempted an employer from the quarterly requirement if his cumulative tax liability is \$100 or less. PL 91-53.

TRANSPORTATION

Acquisition of air carriers.—Provided that no person shall acquire control of an air carrier without first obtaining the approval of the Civil Aeronautics Board unless such acquisition has been exempted by the Board from that requirement consistent with the public interest. PL 91-62.

Connecticut-New York railroad passenger transportation compact.—Granted Congressional consent to this compact which was adopted by New York on June 16, 1968 and by Connecticut on April 21, 1969. S. 2734. PL 91-

Horse Protection Act.—Designed to end the inhumane practice of deliberately making sore the feet of Tennessee walking horses in order to alter their natural gait, by prohibiting the shipment of any horse in commerce, for showing or exhibition, which a person has reason to believe is sore; by making unlawful the exhibiting of a sore horse in any horse show or exhibition in which that horse or any other horse was moved in commerce; and by prohibiting the holding of any horse show in which a sore horse is exhibited if any of the horses in that show were moved in commerce. S. 2543. P/S 12/18.

Maritime Authorization.—Authorized a total appropriation of \$384,608,000 for the Maritime Administration for fiscal 1970. PL 91-85.

Motor carrier operating authority.—Subordinated motor carrier operating authorities to suspension, change, or revocation for willful failure to comply with any provision of the Explosives Act (18 U.S.C. 831-835), by amending section 212(a) of the Interstate Commerce Act, and permitted suspension of motor carrier operating rights upon notice for failure to comply with the Interstate Commerce Commission's insurance regulations. S. 2244. P/S 12/15.

National Traffic and Motor Safety Act amendments.—Authorized \$23 million for fiscal year 1970, of which \$2.8 million is to be available only for the employment of

additional personnel, and \$40 million for fiscal 1971, to implement the Act, authorized the Secretary of Transportation to conduct a study and report to Congress by January 1, 1971, on the causes and means of prevention of agricultural tractor accidents on both public roads and farms, and amended the Act in several other respects. HR 10105. P/H 9/3; P/S amended 12/2.

Outdoor advertising control pilot programs.—Authorized \$15 million for pilot programs to determine the best means of accomplishing the purposes of the control of outdoor advertising provisions of section 131 of title 23, United States Code, and authorizes the Secretary of Transportation to enter into agreements with one or more States to carry out such programs. S. 1442. P/S 11/6.

Passenger vessels construction details.—Removed an unnecessary burden on passenger vessel operations by amending section 4400 of the Revised Statutes, as amended (46 U.S.C. 362), to eliminate the requirement to publicly disclose compliance with safety standards where such vessels meet prescribed safety standards and to require that the registry of any vessel named in promotional literature or advertising be specified therein. HR 210. PL 91-

Railroad employees' hours of service.—Amended the Hours of Service Act of 1907 to make it unlawful for a common carrier railroad to require or permit an employee engaged in or connected with the operation of a train: (a) in case he shall have been continuously on duty for 12 hours (a reduction from the present 16 reached in two steps over 3 years), to continue on duty or to go on duty until he has had at least 10 consecutive hours off duty; or (b) to continue on duty or to go on duty when he has not had at least 8 consecutive hours off duty during the preceding 24 hours; and made other changes in the Act to bring it up to date. HR 8449. PL 91-

Railroad Safety Act and Hazardous Materials Transportation Control Act.—Designed to promote safety in all areas of railroad operation, to reduce railroad related accidents, and to reduce death and injuries to persons and to reduce damage to property caused by accidents involving any carrier of hazardous materials. S. 1933. P/S 12/19.

Vessel construction differential subsidy.—Authorized a 1-year extension (June 30, 1970) of the present 55 percent ceiling on construction differential subsidy payments and 60 percent on reconstruction or reconditioning of passenger ships. PL 91-40.

VETERANS

Care of veterans in State homes.—Increased from \$3.50 to \$7.50 the Federal payment for hospital care for veterans in a State home; and authorized \$5 million on a matching fund basis for 10 years to assist the States in remodeling and altering existing hospital and domiciliary facilities at State homes. HR 9334. P/S amended 10/21.

Dependency and indemnity compensation increases.—Provided an overall increase of 13 percent in the dependency and indemnity compensation program for the widows and orphans of servicemen and veterans whose death was service-related. PL 91-96.

Medical benefits for older veterans.—Provided that a veteran who is in receipt of a Veterans' Administration pension would no longer be required to sign under oath, a statement of inability to defray the necessary expenses of hospital or domiciliary care in order to gain admission to a VA hospital for a non-service-connected disability. HR 693. P/S amended 10/21.

Nursing home care.—Authorized community nursing home care of unlimited duration for veterans hospitalized for a service-connected disability and no longer in need of hospital care. PL 91-101.

Outpatient care.—Made available to any war veteran who has a permanent total disability resulting from a service-connected condition complete medical services which, in effect, means outpatient care for a non-service-connected disability. PL 91-102.

Service connection disabilities.—Provided that any disability of a veteran who is a former prisoner of war is presumed to be service connected for purposes of hospitalization and outpatient care. S. 1279. P/S 10/21.

Specialized medical resources.—Provided greater flexibility in the VA hospital and medical care program by providing the Administrator with greater administrative discretion in the appointment of nurses, in the internship and residency program, and in the appointment of dentists of high academic and research standing on a temporary full-time or part-time basis. HR 9634. PL 91-

Twenty-year disability.—Preserved disability evaluation in effect for 20 years for veterans with service-connected disabilities who have suffered certain anatomical losses or who are totally disabled with severe disabilities. PL 91-32.

VA center at Fort Harrison.—Ceded to the State of Montana concurrent jurisdiction with the U.S. over the real property comprising the Veterans' Administration Center, Fort Harrison, Montana, effective upon acceptance by that State. PL 91-45.

Veterans education and training benefits.—Increased GI bill allowance rates by approximately 46 percent in all programs including those for war orphans and widows. HR 11959. P/S amended 10/23. P/H amended 12/18. In conference.

Vietnam era veterans' life insurance.—Provided a special Government life insurance of \$10,000 for veterans of the Vietnam era. S. S 2003. P/S 9/18.

WELFARE

Dependent children—Repatriated Americans.—Repealed the limitation on Federal participation in Aid to Families with Dependent Children scheduled under present law to become effective July 1, 1969; and extended through June 30, 1971 the authority to provide temporary assistance for the reception and care of repatriated Americans. PL 91-41.

Older Americans Act amendments.—Extended the grant and contract programs of the 1965 Older Americans Act beyond their June 30, 1969 expiration date and authorized increases for those programs; and authorized a National Older Americans Volunteer Program to provide service opportunities for older Americans. PL 91-69. (PR)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13111) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1970, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 5, 6, 7, 15, 16, 25, 26, 41, 52, 57, 72, and 84 to the bill and concurred therein; and that the House receded from its disagreement to the amendments of the Senate numbered 4, 50, 51, 56, and 83 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES BILL, 1970—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13111) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1970, and for other purposes.

Mr. President, I ask unanimous consent that the conference report on H.R. 13111 be made the pending business in the Senate when the Senate reconvenes on January 19, 1970.

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

The report will be read for the information of the Senate.

The bill clerk read the report.

(For conference report, see House proceedings of December 20, 1969, pp. 40488-40489, CONGRESSIONAL RECORD.)

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

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

The bill clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I would like to yield to the distinguished Senator from Washington without losing my right to the floor.

Mr. MAGNUSON. Mr. President, inasmuch as this is a bill so important to many Senators, and the public in general, I ask unanimous consent that the action taken to date on the Labor-HEW bill be printed in the RECORD. This is a tabulation showing the details of the final action taken on the bill, H.R. 13111, as agreed to by the House and Senate conferees; I ask unanimous consent to have printed in the RECORD at this point the House vote on the Labor-HEW conference report. The vote was 261 yeas and 110 nays; which I consider overwhelming approval. Mr. President, I also ask to have printed my statement which sums up briefly the conference report and gives the total appropriation in this bill, which is now \$19,747,153,200.

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

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1969 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1970

[Note: All amounts are in the form of definite appropriations unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1969 (enacted to date) † (2)	Budget estimates of new (obligational) authority, fiscal year 1970 * (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (-) Conference agreement compared with—				
						Appropriations 1969 (7)	Budget estimates 1970 (8)	House bill (9)	Senate bill (10)	
TITLE I—DEPARTMENT OF LABOR										
MANPOWER ADMINISTRATION										
Manpower development and training activities.....	\$407,492,000	\$675,605,000	\$655,605,000	\$675,605,000	\$655,605,000	+\$248,113,000	-\$20,000,000	-----	-\$20,000,000	
Office of Manpower Administrator, salaries and expenses.....	26,635,000	36,907,000	35,325,000	36,907,000	36,116,000	+9,481,000	-791,000	+\$791,000	-791,000	
Bureau of Apprenticeship and Training, salaries and expenses.....	9,418,000	6,532,000	6,532,000	6,532,000	6,532,000	-2,886,000	-----	-----	-----	
Unemployment compensation for Federal employees and ex-servicemen.....	148,200,000	135,000,000	135,000,000	135,000,000	135,000,000	-13,200,000	-----	-----	-----	
Trade adjustment activities.....	1,300,000	600,000	600,000	600,000	600,000	-700,000	-----	-----	-----	
Bureau of Employment Security, salaries and expenses.....	2,758,000	-----	-----	-----	-----	-2,758,000	-----	-----	-----	
Trust fund transfer.....	(20,938,000)	(18,766,000)	(18,766,000)	(18,766,000)	(18,766,000)	(-2,172,000)	-----	-----	-----	
Advances to employment security administration account.....	25,000,000	-----	-----	-----	-----	-25,000,000	-----	-----	-----	
Grants to States for unemployment compensation and employment service administration.....	(604,073,000)	*(657,700,000)	(630,772,000)	(657,700,000)	(655,772,000)	(+51,699,000)	(-1,928,000)	(+25,000,000)	(-1,928,000)	
Total, Manpower Administration.....	620,803,000	854,644,000	833,062,000	854,644,000	833,853,000	+213,050,000	-20,791,000	+791,000	-20,791,000	
LABOR-MANAGEMENT RELATIONS										
Labor-Management Services Administration, salaries and expenses.....	9,011,000	*12,426,000	9,585,000	12,426,000	12,335,000	+3,324,000	-91,000	+2,750,000	-91,000	
WAGE AND LABOR STANDARDS										
Wage and Labor Standards Administration, salaries and expenses.....	11,929,000	12,473,000	12,050,000	12,300,000	12,050,000	+121,000	-423,000	-----	-250,000	
Employees compensation claims and expenses.....	68,591,000	60,116,000	60,116,000	60,116,000	60,116,000	-8,475,000	-----	-----	-----	
Wage and Hour Division, salaries and expenses.....	25,303,000	25,960,000	25,960,000	25,960,000	25,960,000	+657,000	-----	-----	-----	
Total, wage and labor standards.....	105,823,000	98,549,000	98,126,000	98,376,000	98,126,000	-7,697,000	-423,000	-----	-250,000	
BUREAU OF LABOR STATISTICS										
Salaries and expenses.....	21,943,000	23,704,000	22,420,000	22,420,000	22,420,000	+477,000	-1,284,000	-----	-----	
BUREAU OF INTERNATIONAL LABOR AFFAIRS										
Salaries and expenses.....	1,400,000	1,332,000	1,332,000	1,332,000	1,332,000	-68,000	-----	-----	-----	
OFFICE OF THE SOLICITOR										
Salaries and expenses.....	6,147,000	5,978,000	5,978,000	5,978,000	5,978,000	-169,000	-----	-----	-----	
Trust fund transfer.....	(144,000)	(144,000)	(144,000)	(144,000)	(144,000)	-----	-----	-----	-----	
Total, Office of the Solicitor.....	6,147,000	5,978,000	5,978,000	5,978,000	5,978,000	-169,000	-----	-----	-----	

Footnotes at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1969 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1970—Continued

[Note: All amounts are in the form of definite appropriations unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1969 (enated to date) 1 (2)	Budget esti- mates of new (obligational) authority fiscal year 1970 2 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (-) Conference agreement compared with—				
						Appropriations 1969 (7)	Budget estimates 1970 (8)	House bill (9)	Senate bill (10)	
TITLE I—DEPARTMENT OF LABOR—Continued										
OFFICE OF THE SECRETARY										
Salaries and expenses.....	\$4,999,000	\$5,476,000	\$5,476,000	\$5,476,000	\$5,476,000	+\$477,000				
Trust fund transfer.....	(556,000)	(557,000)	(557,000)	(557,000)	(557,000)	(+1,000)				
Federal contract compliance and civil rights program.....	943,000	926,000	926,000	926,000	926,000	-17,000				
Trust fund transfer.....	(535,000)	(564,000)	(564,000)	(564,000)	(564,000)	(+29,000)				
Preventing age discrimination in employment.....	500,000	(9)	(9)	(9)	(9)	-500,000				
Total, Office of the Secretary.....	6,442,000	6,402,000	6,402,000	6,402,000	6,402,000	-40,000				
Total appropriations, Depart- ment of Labor.....	771,569,000	1,003,035,000	976,905,000	1,001,578,000	980,446,000	+208,877,000	-\$22,589,000	+\$3,541,000	-\$21,132,000	
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE										
CONSUMER PROTECTION AND ENVIRONMENTAL HEALTH SERVICE										
Food and drug control.....	\$68,885,000	\$72,007,000	\$72,007,000	\$116,900,000	\$72,352,500	+\$3,467,500	+\$345,500	+\$345,500	-\$345,500	
Air pollution control.....	88,733,000	95,800,000	93,800,000	93,800,000	108,800,000	+20,067,000	+13,000,000	+15,000,000	-8,100,000	
Environmental control.....	42,995,000	55,208,000	55,208,000	55,208,000	55,208,000	+12,213,000				
Buildings and facilities.....		300,000					300,000			
Radiological health.....	18,150,000	(9)	(9)			-18,150,000				
Salaries and expenses, Office of the Administrator.....		76,162,000	76,162,000	6,162,000	6,162,000	+6,162,000				
Total, Consumer Protection and Environmental Health Service.....	218,763,000	229,477,000	227,177,000	250,968,000	242,522,500	+23,759,500	+13,045,500	+15,345,500	-8,445,500	
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION										
Mental health.....	263,540,000	357,904,000	360,302,000	385,000,000	360,302,000	+96,762,000	+2,398,000		-24,698,000	
Community mental health resource support.....	72,553,000	(9)	(9)			-72,553,000				
St. Elizabeths Hospital (indefinite). Health services research and development.....	13,380,000	10,405,000	10,405,000	10,405,000	10,405,000	-2,975,000				
Trust fund transfer.....	49,931,000	44,975,000	44,975,000	44,975,000	44,975,000	-4,956,000				
Comprehensive health planning and services.....	176,290,000	214,033,000	207,143,000	224,033,000	224,033,000	+47,743,000	+10,000,000	+16,890,000		
Trust fund transfer.....		10 (4,320,000)	10 (4,320,000)	(4,320,000)	(4,320,000)	(+4,320,000)				
Chronic diseases.....	29,378,000	(U)	(U)			-29,378,000				
Regional medical programs.....	61,907,000	100,000,000	76,000,000	100,000,000	100,000,000	+38,093,000		+24,000,000		
Communicable diseases.....	54,217,000	38,638,000	38,638,000	38,638,000	38,638,000	-15,579,000				
Hospital construction.....	258,368,000	153,923,000	258,323,000	258,323,000	258,323,000	-45,000	+104,400,000			
District of Columbia medical facilities.....	15,000,000	12 (15,000,000)	12	10,000,000	10,000,000	-5,000,000	+10,000,000	+10,000,000		
Patient care and special health services.....	72,436,000	72,224,000	72,224,000	72,224,000	72,224,000	-212,000				
National health statistics.....	8,230,000	9,641,000	8,841,000	8,841,000	8,841,000	+611,000	-800,000			
Retired pay of commissioned officers (indefinite). Buildings and facilities.....	13,041,000	16,700,000	16,700,000	16,700,000	16,700,000	+3,659,000				
Salaries and expenses, Office of the Administrator.....	9,380,000	9,898,000	9,898,000	9,898,000	9,898,000	+518,000				
Total, Health Services and Mental Health Adminis- tration.....	1,097,651,000	1,030,441,000	1,103,449,000	1,179,037,000	1,154,339,000	+56,688,000	+123,898,000	+50,890,000	-24,698,000	
Consisting of— Definite appropriations.....	1,071,230,000	1,003,336,000	1,076,344,000	1,151,932,000	1,127,234,000	56,004,000	+123,898,000	+50,890,000	-24,698,000	
Indefinite appropriations.....	26,421,000	27,105,000	27,105,000	27,105,000	27,105,000	+684,000				
NATIONAL INSTITUTES OF HEALTH										
Biologics Standards.....	8,499,000	8,225,000	8,225,000	8,225,000	8,225,000	-274,000				
National Cancer Institute.....	185,149,500	180,725,000	180,725,000	200,000,000	190,362,500	+5,213,600	+9,637,500	+9,637,500	-9,637,500	
National Heart Institute.....	166,927,500	160,513,000	160,513,000	182,000,000	171,256,500	+4,329,000	+10,743,500	+10,743,500	-10,743,500	
National Institute of Dental Re- search.....	29,983,500	29,289,000	29,289,000	32,000,000	30,644,500	+661,000	+1,355,500	+1,355,500	-1,355,500	
National Institute of Arthritis and Metabolic Diseases.....	143,888,000	137,668,000	137,668,000	155,000,000	146,334,000	+2,446,000	+8,666,000	+8,666,000	-8,666,000	
National Institute of Neurological Diseases and Stroke.....	128,934,500	101,256,000	101,256,000	112,700,000	106,978,000	-21,956,500	+5,722,000	+5,722,000	-5,722,000	
National Institute of Allergy and Infectious Diseases.....	96,840,500	102,389,000	102,389,000	105,000,000	103,694,500	+6,854,000	+1,305,500	+1,305,500	-1,305,500	
National Institute of General Medical Sciences.....	163,513,500	154,288,000	154,288,000	175,000,000	164,644,000	+1,130,500	+10,356,000	+10,356,000	-10,356,000	
National Institute of Child Health and Human Development.....	73,126,500	75,852,000	73,098,000	80,800,000	76,949,000	-3,822,500	+1,097,000	+3,851,000	-3,851,000	
National Eye Institute.....	17,820,000	23,685,000	23,685,000	25,000,000	24,342,500	+24,342,500	+657,500	+657,500	-657,500	
Environmental health sciences.....	84,809,500	69,698,000	73,658,000	79,658,000	76,658,000	+508,000				
General research and services.....										
John E. Fogarty International Center for Advanced Study in the Health Sciences.....	600,000	2,954,000	2,954,000	2,954,000	2,954,000	+2,354,000				

Footnotes at end of tables.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1969 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1970—Continued

[Note: All amounts are in the form of definite appropriations unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1969 (enacted to date) 1 (2)	Budget esti- mates of new (obligational) authority fiscal year 1970 2 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (-) Conference agreement compared with—				
						Appropriations 1969 (7)	Budget estimates 1970 (8)	House bill (9)	Senate bill (10)	
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued										
NATIONAL INSTITUTES OF HEALTH—Continued										
Health manpower.....	\$172,176,000	\$218,021,000	\$218,021,000	\$251,200,000	\$234,470,000	+\$62,294,000	+\$16,449,000	+\$16,449,000	-\$16,730,000	
Dental health.....	10,224,000	10,887,000	10,722,000	11,887,000	11,722,000	+1,498,000	+835,000	+1,000,000	-165,000	
Grants for construction of health research facilities.....	8,400,000	(19)	(19)			-8,400,000				
Construction of health educational, research, and library facilities.....	84,800,000	126,100,000	126,100,000	160,000,000	149,050,000	+64,250,000	+22,950,000	+22,950,000	-10,950,000	
National Library of Medicine.....	18,160,500	19,682,000	19,682,000	19,682,000	19,682,000	+1,521,500				
Buildings and facilities.....		1,000,000	1,000,000	1,900,000	1,900,000	+1,900,000	+900,000	+900,000		
Salaries and expenses, Office of the Director.....		7,093,000	7,093,000	7,093,000	7,093,000	+7,093,000				
Scientific activities overseas (special foreign currency program).....	15,000,000	3,455,000	3,455,000	3,455,000	3,455,000	-11,545,000				
Payment of sales insufficiencies and interest losses.....	200,000	957,000	957,000	957,000	957,000	+757,000				
General research support grants.....	(60,700,000)	(60,700,000)	(60,700,000)	(65,700,000)	(60,700,000)				(-5,000,000)	
Total, National Institutes of Health.....	1,409,052,500	1,452,065,000	1,453,106,000	1,632,839,000	1,549,699,500	+140,647,000	+97,634,500	+96,593,500	-83,139,500	
OFFICE OF EDUCATION										
Elementary and secondary education.....	1,476,993,000					-1,476,993,000				
Advance appropriation for 1970 (indefinite).....	1,010,814,300					-1,010,814,300				
Supplemental to 1970 advance appropriation.....		404,578,700	14 750,776,700	702,036,700	717,036,700	+717,036,700	+312,458,000	-33,740,000	+15,000,000	
Advance appropriation for 1971 Instructional equipment.....		1,226,000,000	(19)	1,117,580,000	1,117,580,000	-1,226,000,000			-1,117,580,000	
School assistance in federally affected areas.....	520,861,000	202,167,000	600,167,000	660,167,000	600,167,000	+79,306,000	+398,000,000		-60,000,000	
1968 special funds.....	90,965,000					-90,965,000				
Education professions develop- ment.....	171,900,000	95,000,000	95,000,000	120,000,000	107,500,000	-64,400,000	+12,500,000	+12,500,000	-12,500,000	
Teacher Corps.....	20,900,000	31,100,000	21,737,000	31,100,000	21,737,000	-837,000	-9,363,000		-9,363,000	
Higher education.....	700,387,000	* 788,080,000	859,633,000	1,006,874,000	871,874,000	+171,487,000	+83,794,000	+12,241,000	-135,000,000	
Vocational education.....	248,216,000	279,216,000	488,716,000	488,716,000	488,716,000	+240,500,000	+209,500,000			
Libraries and community services.....	143,144,000	107,709,000	135,394,000	155,625,000	148,881,000	+5,737,000	+41,172,000	+13,487,000	-6,744,000	
Education for the handicapped.....	78,850,000	85,850,000	100,000,000	105,000,000	100,000,000	+21,150,000	+14,150,000		-5,000,000	
Research and training.....	89,417,000	115,000,000	85,750,000	98,250,000	85,750,000	-3,667,000	-29,250,000		12,500,000	
Education in foreign languages and world affairs.....	15,700,000	20,000,000	18,000,000	12,000,000	18,000,000	+2,300,000	-2,000,000		+6,000,000	
Research and training (special foreign currency program).....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000					
Salaries and expenses.....	42,694,000	43,375,000	42,157,000	42,157,000	42,157,000	-537,000	-1,218,000			
Student loan insurance fund.....		10,826,000	10,826,000	10,826,000	10,826,000	+10,826,000				
Higher education facilities loan fund.....	100,000,000					-100,000,000				
Payment of participation sales insufficiencies.....	3,275,000	2,918,000	2,918,000	2,918,000	2,918,000	-357,000				
Total, Office of Education.....	4,715,116,300	3,412,819,700	3,212,074,700	4,647,489,700	3,265,302,700	-1,449,813,600	-147,517,000	+53,228,000	-1,382,187,000	
Consisting of—										
Definite appropriations:										
Regular.....	3,613,337,000	3,412,819,700	3,212,074,700	4,647,489,700	3,265,302,700	-348,034,300	-147,517,000	+53,228,000	-1,382,187,000	
1968 special funds.....	90,965,000					-90,965,000				
Indefinite appropriation: 1970 advance.....	1,010,814,300					-1,010,814,300				
SOCIAL AND REHABILITATION SERVICE										
Grants to States for public assistance.....	6,416,546,000	7,351,551,000	7,351,551,000	7,351,551,000	7,351,551,000	+935,005,000				
Work incentives.....	117,500,000	129,640,000	129,640,000	100,000,000	120,000,000	+2,500,000	-9,640,000	-9,640,000	+20,000,000	
Assistance for repatriated U.S. nationals.....	645,000	700,000	700,000	700,000	700,000	+55,000				
Grants for rehabilitation services and facilities.....	368,990,000	499,783,000	499,783,000	464,783,000	464,783,000	+95,793,000	-35,000,000	-35,000,000		
Mental retardation.....	32,556,000	33,629,000	37,000,000	39,000,000	37,000,000	+4,444,000	+3,371,000		-2,000,000	
Maternal and child health and welfare.....	265,400,000	19 285,300,000	284,800,000	284,800,000	284,800,000	+19,400,000	-500,000			
Development of programs for the aging.....	23,000,000	28,360,000	(20)	36,250,000	28,360,000	+5,360,000		+28,360,000	-7,890,000	
Juvenile delinquency prevention and control.....	5,000,000	15,000,000	5,000,000	15,000,000	10,000,000	+5,000,000	-5,000,000	+5,000,000	-5,000,000	
Rehabilitation research and training.....	64,000,000	60,000,000	60,000,000	60,000,000	60,000,000	-4,000,000				
Cooperative research or demonstration projects.....	3,150,000	11,500,000	11,500,000	11,500,000	11,500,000	+8,350,000				
Research and training (special foreign currency program).....	5,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-3,000,000				
Salaries and expenses.....	27,617,000	11 34,393,000	28,780,000	31,673,000	30,226,500	+2,609,500	-4,166,500	+4,166,500	-4,166,500	
Trust fund transfers.....	(348,000)	(360,000)	(360,000)	(360,000)	(360,000)	(+12,000)				
Total, Social and Rehabilita- tion Service.....	7,329,404,000	8,451,856,000	8,410,754,000	8,397,257,000	8,400,920,500	+1,071,516,500	-50,935,500	-9,833,500	+3,663,500	

Footnotes at end of tables.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1969 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1970—Continued

[Note: All amounts are in the form of definite appropriations unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1969 (enated to date) ¹ (2)	Budget estimates of new (obligational) authority, fiscal year 1970 ² (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (—) Conference agreement compared with			
						Appropriations 1969 (7)	Budget estimates 1970 (8)	House bill (9)	Senate bill (10)
TITLE II—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued									
SOCIAL SECURITY ADMINISTRATION									
Payment to trust funds for health insurance for the aged.....	\$1,360,227,000	\$1,545,413,000	\$1,545,413,000	\$1,545,413,000	\$1,545,413,000	+\$185,186,000			
Payment for military service credits.....	105,000,000	105,000,000	105,000,000	105,000,000	105,000,000				
Payment for special benefits for the aged.....	225,545,000	364,151,000	364,151,000	364,151,000	364,151,000	+138,606,000			
Consumer credit training.....		300,000		300,000			-\$300,000		-\$300,000
Limitation on salaries and expenses.....	(807,492,000)	²² (921,200,000)	(901,500,000)	(921,200,000)	(911,350,000)	(+103,858,000)	(-9,850,000)	(+\$9,850,000)	(-9,850,000)
Total, Social Security Administration.....	1,690,772,000	2,014,864,000	2,014,564,000	2,014,864,000	2,014,564,000	+323,792,000	-300,000		-300,000
SPECIAL INSTITUTIONS									
American Printing House for the Blind, education of the blind.....	1,340,000	1,404,000	1,404,000	1,404,000	1,404,000	+64,000			
National Technical Institute for the Deaf, salaries and expenses.....	800,000	2,851,000	2,851,000	2,851,000	2,851,000	+2,051,000			
Model secondary school for the deaf, salaries and expenses.....	400,000	415,000	415,000	415,000	415,000	+15,000			
Model secondary school for the deaf, construction.....	445,000	351,000	351,000	351,000	351,000	-94,000			
Gallaudet College, salaries and expenses.....	3,691,000	4,257,000	4,257,000	4,332,000	4,332,000	+641,000	+75,000	+75,000	
Gallaudet College, construction.....		867,000	867,000	1,106,000	1,106,000	+1,106,000	+239,000	+239,000	
Howard University, salaries and expenses.....	18,231,000	20,445,000	20,445,000	20,445,000	20,445,000	+2,214,000			
Howard University, construction.....	2,209,000	22,710,000	22,710,000	22,710,000	22,710,000	+20,501,000			
Freedmen's Hospital.....	9,030,000	9,109,000	9,109,000	9,109,000	9,109,000	+79,000			
Total, special institutions.....	36,146,000	62,409,000	62,409,000	62,723,000	62,723,000	+26,577,000	+314,000	+314,000	
DEPARTMENTAL MANAGEMENT									
Office of the Secretary, salaries and expenses.....	8,621,000	5,975,000	5,975,000	5,975,000	5,975,000	-2,646,000			
Transfer from trust funds.....	(1,282,000)	(398,000)	(398,000)	(398,000)	(398,000)	(-884,000)			
Office for Civil Rights, salaries and expenses.....		5,259,000	5,259,000	5,259,000	5,259,000	+5,259,000			
Transfer from trust funds.....		(856,000)	(856,000)	(856,000)	(856,000)	(+856,000)			
Office of Community and Field Services, salaries and expenses.....	2,723,000	4,730,000	4,510,000	4,510,000	4,510,000	+1,787,000	-220,000		
Transfers.....	(2,079,000)	(2,486,000)	(2,325,000)	(2,325,000)	(2,325,000)	(+246,000)	(-161,000)		
Office of the Comptroller, salaries and expenses.....	8,544,000	10,425,000	10,425,000	10,425,000	10,425,000	+1,881,000			
Transfer from trust funds.....	(1,255,000)	²³ (2,060,000)	(1,808,000)	(2,060,000)	(2,060,000)	(+805,000)			(+252,000)
Office of Administration, salaries and expenses.....	2,845,000	5,234,000	5,066,000	5,066,000	5,066,000	+2,221,000	-168,000		
Transfer from trust funds.....	(302,000)	(359,000)	(350,000)	(350,000)	(350,000)	(+48,000)	(-9,000)		
Surplus property utilization.....	1,243,000	1,255,000	1,255,000	1,255,000	1,255,000	+12,000			
Office of the General Counsel, salaries and expenses.....	2,181,000	2,282,000	2,244,000	2,244,000	2,244,000	+63,000	-38,000		
Transfers.....	(1,375,000)	(1,416,000)	(1,396,000)	(1,396,000)	(1,396,000)	(+21,000)	(-20,000)		
Educational broadcasting facilities.....	4,375,000	⁽²⁴⁾	⁽²⁴⁾	⁽²⁴⁾	⁽²⁴⁾	-4,375,000			
Total, departmental management.....	30,532,000	35,160,000	34,734,000	34,734,000	34,734,000	+4,202,000	-426,000		
Total, new budget (obligational) authority, Department of Health, Education, and Welfare.....	16,527,436,800	16,689,091,700	16,518,267,700	18,219,911,700	16,724,805,200	+197,368,400	+35,713,500	+206,537,500	-1,495,106,500
Consisting of—									
Definite appropriations:									
Regular.....	15,399,236,500	16,661,986,700	16,491,162,700	18,192,806,000	16,697,700,200	+1,298,463,700	+35,713,500	+206,537,500	-1,495,105,800
1968 special funds.....	90,965,000					-90,965,000			
Indefinite appropriations:									
Regular.....	26,421,000	27,105,000	27,105,000	27,105,000	27,105,000	+684,000			
1970 advance.....	1,010,814,300					-1,010,814,300			

TITLE III—RELATED AGENCIES

National Labor Relations Board.....	\$35,474,000	\$36,880,000	\$36,880,000	\$36,880,000	\$36,880,000	+\$1,406,000			
National Mediation Board.....	2,492,000	2,226,000	2,226,000	2,226,000	2,226,000	-266,000			
Railroad Retirement Board:									
Limitation on salaries and expenses.....	(14,490,000)	(15,092,000)	(15,172,000)	(15,172,000)	(15,172,000)	(+682,000)	\$(+80,000)		
Payment for military service credits.....	18,446,000	19,206,000	19,206,000	19,206,000	19,206,000	+760,000			
Federal Mediation and Conciliation Service.....	8,215,000	²⁵ 8,452,000	8,240,000	8,412,000	8,412,000	+197,000	-40,000	+\$172,000	
United States Soldiers' Home (trust fund appropriation):									
Operation and maintenance.....	8,602,000	9,149,000	9,149,000	9,149,000	9,149,000	+547,000			
Capital outlay.....	726,000	170,000	170,000	170,000	170,000	-556,000			
Office of Economic Opportunity.....	1,948,000,000	2,048,000,000	⁽²⁶⁾	2,048,000,000	1,948,000,000		-100,000,000	+1,948,000,000	-\$100,000,000

Footnotes at end of tables.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1969 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1970—Continued

[Note: All amounts are in the form of definite appropriations unless otherwise indicated]

Agency and item (1)	New budget (obligational) authority, fiscal year 1969 (enacted to date) ¹ (2)	Budget esti- mates of new (obligational) authority fiscal year 1970 ² (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference agreement (6)	Increase (+) or decrease (-) Conference agreement compared with—				
						Appropriations 1969 (7)	Budget estimates 1970 (8)	House bill (9)	Senate bill (10)	
TITLE III—RELATED AGENCIES—Continued										
Federal Radiation Council.....	\$127,000	\$124,000	\$124,000	\$124,000	\$124,000	-\$3,000				
President's Committee on Consumer Interests.....	421,000	450,000	450,000	450,000	450,000	+29,000				
National Commission on Product Safety.....	525,000	1,475,000	1,475,000	1,475,000	1,475,000	+950,000				
President's Council on Youth Opportunity.....		357,000	(²⁸)	300,000	300,000	+300,000	-\$57,000	+\$300,000		
Agency Committee on Mexican-American Affairs.....		510,000	510,000	510,000	510,000	+510,000				
Payment to the Corporation for Public Broadcasting.....	5,000,000	²⁷ 15,000,000	(²⁸)	15,000,000	15,000,000	+10,000,000		+15,000,000		
Grand total, new budget (obligational) authority.....	19,327,033,800	19,834,125,700	17,573,602,700	21,363,391,700	19,747,153,200	+420,119,400	-86,972,500	+2,173,550,500	-1,616,238,500	
Consisting of—										
Definite appropriations:										
Regular.....	18,198,833,500	19,807,020,700	17,546,497,700	21,336,286,700	19,720,048,200	+1,521,214,700	-86,972,500	+2,173,550,500	-1,616,238,500	
1968 special funds.....	90,965,000					-90,965,000				
Indefinite appropriations:										
Regular.....	26,421,000	27,105,000	27,105,000	27,105,000	27,105,000	-684,000				
1970 advance.....	1,010,814,300					-1,010,814,300				

¹ Includes supplemental appropriations. Amounts do not reflect reserves created pursuant to Public Law 90-364.

² Includes amendments contained in H. Doc. 91-100 and H. Doc. 91-113.

³ Includes budget amendment of \$26,928,000 (S. Doc. 91-41) which the House did not consider.

⁴ Includes budget amendment of \$750,000 (S. Doc. 91-41) which the House did not consider.

⁵ Included under Wage and Hour Division, Salaries and expenses, in 1970.

⁶ Included under "Environmental control" and "salaries and expenses, Office of the Administrator" in 1970.

⁷ Formerly budgeted under "Radiological health."

⁸ Included under "Mental health" in 1970.

⁹ Included under "Comprehensive health planning and services" in 1970.

¹⁰ Formerly budgeted under "Health services research and development."

¹¹ Included under "Regional medical programs" in 1970.

¹² Considered in connection with the Second Supplemental Appropriations Act, 1969.

¹³ Included under "Construction of health, educational, research, and library facilities" in 1970.

¹⁴ \$10,055,000 not considered by House due to lack of authorization.

¹⁵ \$1,226,000,000 not considered by House due to lack of authorization.

¹⁶ Includes \$78,740,000 previously carried under "Elementary and secondary education" and \$14,500,000 previously carried under "Higher education".

¹⁷ Includes funds for "Educational broadcasting facilities," formerly budgeted under "Departmental Management."

¹⁸ \$80,000 not considered by House due to lack of authorization.

¹⁹ The budget requested \$228,500,000 for "Maternal and child health" and \$56,800,000 for "Child Welfare."

²⁰ Not considered due to lack of authorization.

²¹ Includes budget amendment of \$2,893,000 (S. Doc. 91-34) which the House did not consider.

²² Includes budget amendment of \$19,700,000 (S. Doc. 91-34) which the House did not consider.

²³ Includes budget amendment of \$252,000 (S. Doc. 91-34) which the House did not consider.

²⁴ Included under "Libraries and community services" in 1970.

²⁵ Includes budget amendment of \$172,000 (S. Doc. 91-41) which the House did not consider.

²⁶ Consideration deferred.

²⁷ Includes budget amendment of \$15,000,000 (S. Doc. 91-41) which the House did not consider.

²⁸ Includes budget amendment of \$7,241,000 (S. Doc. 91-41) for Federal City College which the House did not consider.

Mr. MAGNUSON. Mr. President, the conference agreement total for this bill is now \$19,747,153,200.

This is \$420,119,400 over last year's appropriation and \$86,972,500 under the Nixon budget. I repeat \$86,972,500 under the request of the Administration. This conference bill now is \$2,173,550,500 over the House passed bill. This includes the consideration by the Senate of an additional \$3,338,531,000 in administrative requests which the House did not consider, and \$1,616,238,500 under the Senate passed bill.

Since the conferees did not agree to include advance funding for title I, ESEA, a comparison excluding advance funding from the budget request and the conference agreement might be helpful. The budget estimate would then be \$18,603,125,700. The conference allowance is \$19,747,153,200, or an increase of \$1,139,027,500 over the budget estimate. Most of this increase was added on the House floor and was not in conference between the House and Senate.

Mr. GRIFFIN. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. GRIFFIN. The elimination of the advance funding which is an amount in excess of \$1 billion; is that only a temporary elimination? It is understood, as I understand it, that that will be funded after the first of the year, so that it really does not mean very much at this point?

Mr. MAGNUSON. Congress may wait to make this appropriation for advanced

funding next year. I suspect this item will come up in the fiscal 1971 budget, with the President again asking for funding. We did not include this because at the time we considered it, it had not been authorized, and is not authorized today so it is a matter for future consideration by the Congress.

Mr. GRIFFIN. Outside of that item, which is a substantial item, and something that the President asked for, what other changes, if any, were made by the conferees following the letter of the President of last week?

Mr. MAGNUSON. I can say the House was over the budget estimate and the Senate was over the House. We, as is usual, in the conference committee, split the difference about down the middle on many of the items, but the conference report did total \$19,747,153,200, which is under the President's estimate if we include this advance funding of \$86,972,500. The conference cut \$1,616,238,500 from the Senate passed total. That cut was mostly the advance funding, with other items dividing up the difference between the House and Senate passed bill.

The HEW total in the bill is \$16,724,805,200. The bill, which also contains all the functions of the Department of Labor. On HEW, the final conference figure was \$35,713,500 over the budget estimate. That consisted mainly of the major areas the President complaint is about, I suppose.

Most of the education increases were allowed on the House floor and supported

by both parties. The impacted aid increase in the Senate was offered by the Senator from Colorado (Mr. ALLOTT).

The table will clearly indicate where the House or Senate increased or decreased the President's requests, and where their suggested priorities are expressed. The conferees cut out practically all the construction items, knowing that the administration would not fund those amounts for construction as has been stated by the administration.

Then there is air pollution—we split the difference. Remember, the Senate put in something like \$23.1 million more than was in the bill. We allowed \$13 million in the conference. The House added \$104 million for the Hill-Burton hospital grants, a \$398 million increase for impacted aid. These and other increases add up to increases over what the President said he wanted. However, in total, including all the requests, we are under the estimates \$86 million.

Mr. President, I have already put this tabulation in the RECORD, so Senators can examine it between now and the time we convene on January 19, 1970.

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

There being no objection, the Senate proceeded to consider the report.

Mr. SCOTT. Mr. President, if the Senator will yield, we are all very indebted to the distinguished Senator from Washington for the very considerable amount of labor in this matter, which he has directed so patiently and with such great interest and dedication

throughout the long period of deliberations, and I express the hope that when we return on the 19th of January possibly some way may be found by which can arrive at a situation which would permit a favorable solution as between Congress and the President. I must admit that in these waning hours of the session that solution has not occurred to me, but as we go on what is really a well-deserved vacation, all of us may bear in mind the possibility of some means whereby we can find an area of agreement. I want to assure the Senator of my help in that search for an area of agreement, because this is a very important bill.

Mr. MAGNUSON. I appreciate the cooperation of the minority leader and the Senator from Michigan, and also the help of the Democratic leadership. I happen to think that this Labor-HEW appropriation bill, as it came out of conference, is a very good measure for the American people. Most of the arguments in conference were over amendments that had been offered on the floor of the Senate, such as the aid to impacted areas amendment. As the Senator knows, the Senator from New Hampshire and I voted against many of those amendments. However, the fact is that the budget figure approved by the House was way over the level requested in the revised budget request. The Senate also approved a Labor-HEW budget above the House figure. That is the situation we faced going into the conference.

I think the decision to pass a continuing resolution was wise, in view of the threatened veto by President Nixon. That will give the agencies and the programs involved one-twelfth of the House-passed appropriation level until January 30—which is an increase much different than over last year's appropriation level. In some instances it will be a little lower, and in some cases they will even benefit temporarily by this action. When Congress reconvenes on the 19th of January, the first order of business will be that the Senator from Washington will make a motion to approve the conference report, as the House did yesterday.

Then the Senate can work its will in deciding whether to accept the conference report which was passed overwhelmingly by the House. If the Senate agrees to the conference report, and I expect it will, it would then immediately go to the White House, and the President would either veto the Labor and HEW appropriation bill or he would approve it.

I am very hopeful that the President will take a longer look at some of the programs contained in this important bill, because I think it is a very good bill. There is an argument over where to put the priorities in our Federal budget but this certainly is one area where we cannot afford to be stingy. A majority of both the Senate and House believe that the priorities set in this bill are correct. Congress has slashed the President's budget by nearly \$7 billion but felt obliged to add a little over \$1 billion in this vital area of domestic concern. I do not say this in partisan fashion, but I do not think we are fighting inflation when we allow for a constant shortage of health manpower. The research in health has been excellent

but we must put this research to work in providing more doctors, dentists, nurses and allied health personnel. There is a faint light at the end of the tunnel. But cutting back on health manpower will make the delivery of health from our research effort a very difficult task.

Mr. SCOTT. I think the research feature of the bill is very good.

Mr. MAGNUSON. There is a shortage of about 50,000 doctors. There is a shortage of dentists. If anyone does not believe this, I dare them to make an appointment with a dentist and then break the appointment.

Mr. SCOTT. It is just like pulling teeth to get an appointment with a dentist.

Mr. MAGNUSON. We need health manpower to deliver patient care to the people. We have gained a great deal of scientific knowledge. We are making breakthroughs in many areas of research.

In the field of education I am somewhat of a moderate. Many Members of Congress wanted to provide much higher appropriations. The House voted more than \$1 billion over requested amount. I suppose the needs of education are that great. It also depends on what our capabilities are.

I close with this one statement. I do not mean to be partisan about it, but I think that with a gross national product of \$999 billion, an expenditure of an additional \$1.2 billion for these programs, for the poor, the handicapped, the ill, and for education is not going to shake the great fiscal foundation of this country.

Mr. SCOTT. Mr. President, if the Senator will yield, I would like to quote from a Republican and a Democrat. First I quote a Democrat, the Greek poet Menander, who said, "We live not as we would, but as we must." Then I quote a Republican, Grover Cleveland, who said, "It is a condition which confronts us—not a theory." So we must go over until January.

Mr. MANSFIELD. Mr. President, the distinguished minority leader offers us some hope from a quarter from which it was least expected.

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

Mr. MANSFIELD. I yield.

Mr. DOLE. The charge has been made that President Nixon is anti-education; that he proposes to close cancer clinics. I think the point at issue is between priorities, on the one hand, and fighting inflation on the other; but it appears, as the Senator from Washington has illustrated, that there is still some hope we can avoid a confrontation on January 19 or 20, whatever the date is. There is still some room for giving on both sides, as I understand.

Mr. MAGNUSON. I do not know if that is true. All through this controversy, no one has talked to me about this appropriation bill, and I do not have any idea what they are thinking. As far as I know, no one has talked to the chairman of the House Appropriations Subcommittee. So I am going to leave on that note and also a "Happy Christmas" wish for my colleagues on the Republican side.

Mr. DOLE. The Senator indicates—
Mr. MAGNUSON. I indicate a hope.

I think it is a good bill when and if you take a long look at it. It may be a little high in some of these vital areas. I admire the dedication and spirit of the personnel working at HEW, but they all want a fair advantage. I think it is a good bill, and believe the President will find it so when he examines it himself.

The conference committee was unanimous in its approval. We finished consideration of the bill in 4½ hours. The Republicans and Democrats agreed to the priorities set and to the level of funding.

The Senator from Kansas served in the House. He knows how tough they are to deal with. We got this bill passed because Members of the Congress support these programs. Its priorities must be evaluated by the President. No one is against efforts in the field of health, education, or welfare. Congress evaluated the priorities, and decided on a slightly different course of action than the White House suggested in its budget.

Mr. DOLE. We agree that reasonable men can reach a reasonable conclusion which may be different. So I see some hope in January.

Mr. MAGNUSON. Mr. President, this bill is not inflationary.

Let us talk about hospital costs, for a moment. Why are hospital costs so high? It is due in part to the lack of manpower. I need not tell anybody in this body about that fact. Everyone listening to me in this Chamber has either had the experience with high hospital costs himself or has had someone in his family who has. We do not have the trained manpower to deliver health care. We have a crisis, it is not just because of a lack of research it is due to our being unable to deliver the results of that health research. That is the issue we must focus upon and this measure does. That was one of the big priorities approved by the Congress in this bill.

Of course, we need Federal aid to education. I can remember when there was not any Federal aid to education at all. I can remember when I was the author of the first bill which permitted the entrance of the Federal Government into the health field. I refer to the creation of the Cancer Institute in 1938. I have been associated with the health field for a long time. In 1938, the argument was not the amount of money involved. The argument was whether there was a Federal responsibility to get into the health or research field. When that question was resolved, there was no argument as to money. That budget amounted to only \$1 million. Now it is \$190 million.

We are moving ahead but I think we can move a little faster with this bill. The real problem is in the delivering of health care and the high costs of hospital services and the terrible shortage of doctors. There is a shortage of 50,000 doctors in this country. Based on the percentage of doctors to our population, we have fewer doctors in this country than any other free country in the world.

That is a startling fact. We have in the bill a small amount of money—we raised it—for kidney machines. About 10,000 people are going to die in the next year because they cannot deliver the

manpower or the machines. It is not so much the cost of the machines but the fact that we do not have the trained people who know how to use them. We can now save about two of eight. But eight are going to die. The same is true with heart disease and many other diseases, including cancer and lung diseases.

We do not have enough teachers in this country. We could argue from now until Christmas Eve on the quality and quantity of teachers, but a teacher is a teacher, and in this country we need more and better ones. We had an argument about the Teacher Corps, the Senate has often argued about this program but we increased the amount in the Senate quite a bit because we felt it was needed.

These are the priorities that we in Congress are talking about, and I am just hopeful that in the next 2½ or 3 weeks someone downtown will sit down and take a good long look at what has been provided for in this bill. We think it is a good bill, and most of Members of the House of Representatives think it is a good bill. They voted 261 to 110 yesterday in adopting the conference report; that indicates it is a good bill. The Senate and House voted for it by even a more overwhelming majority in passing the bill. Most of the amendments in the bill were put in on the floor of the House and more were added in the Senate floor action.

I think people have a feeling of approbation about certain segments of it. We had some testimony on the question of what we could do about strokes and spinal injuries. Few people realize that spinal injuries in this country cause more problems and more trouble than anything else, due to the large number of automobile accidents. There are 120,000 people involved in automobile accidents annually, and somebody always gets injured. We have few clinics to deal with that problem.

In the field of education, we put in an additional \$15 million for bilingual education. This aids the Mexican-American—I guess some Swedes are involved in this, too, who cannot talk very good English.

Mr. SCOTT. And Norwegians?

Mr. MAGNUSON. And Norwegians, yes. But these are the issues we were talking about in all seriousness, and we did not pass this bill because of any kind of a lobby. We think the health, education, and welfare of the people is the Nation's first priority and we hope the President when he evaluates this measure will change his mind and sign this important appropriation measure.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess while the distinguished minority leader and I notify the President that we have finished with our business.

Mr. SCOTT. And, Mr. President, if I may add, we sincerely hope the President will have no suggestions to make.

The ACTING PRESIDENT pro tempore. Does the Senator from Montana request that the Senate stand in recess subject to the call of the Chair?

Mr. MANSFIELD. Subject to the call of the Chair.

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

Thereupon, at 2 o'clock and 44 minutes p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reconvened at 2:54 p.m., when called to order by the Acting President pro tempore.

REPORT OF PRESIDENTIAL NOTIFICATION COMMITTEE

Mr. MANSFIELD. Mr. President, the distinguished minority leader and I have had a talk with the President. He informs us that he has no further business on hand for the Senate to consider at this time.

Unless the distinguished minority leader has some further comments, I am about to make the concluding motion of this session.

Mr. SCOTT. Mr. President, if the distinguished majority leader will yield, the long-awaited moment nearing as it is, the President, upon being asked what his desires were, said that his principal desire was that we have a very happy holiday season and a happy New Year and that we all return refreshed on the 19th of January.

We expressed the same wish to him. He has indicated that he has no other request to make of this session of the Congress.

I have nothing further to add, and therefore will join in the motion the distinguished majority leader is about to make.

ADJOURNMENT SINE DIE

Mr. MANSFIELD. Mr. President, wishing everyone a merry Christmas and a happy and, hopefully, a peaceful New Year, I move, in accordance with the terms of House Concurrent Resolution 475, previously agreed to, that the Senate stand adjourned sine die.

The motion was agreed to; and (at 2 o'clock and 56 minutes p.m. Tuesday, December 23, 1969) the Senate adjourned sine die.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED SUBSEQUENT TO SINE DIE ADJOURNMENT

Subsequent to the sine die adjournment of the Senate, the Acting President pro tempore, under authority of House Concurrent Resolution 476, signed the following enrolled bills and joint resolutions, which had previously been signed by the Speaker of the House of Representatives, and examined and found truly enrolled by the Secretary of the Senate:

On December 24, 1969:

S. 1075. An act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other purposes;

S. J. Res. 117. Joint resolution to authorize appropriations for expenses of the Office of Intergovernmental Relations, and for other purposes;

H.R. 944. An act to amend section 404(d) of title 37, United States Code, by increasing the maximum rates of per diem allowance and reimbursement authorized, under

certain circumstances, to meet the actual expenses of travel;

H.R. 14227. An act to amend section 1401a (b) of title 10, United States Code, relating to adjustments of retired pay to reflect changes in Consumer Price Index;

H.R. 14571. An act to amend the Central Intelligence Agency Retirement Act of 1964 for certain employees, as amended, and for other purposes;

H.R. 15071. An act to continue for 2 additional years the duty-free status of certain gifts by members of the Armed Forces serving in combat zones;

H.R. 15209. An act making supplemental appropriations for the fiscal year ending June 30, 1970, and for other purposes;

H.J. Res. 1040. Joint resolution extending the time for filing the Economic Report and the report of the Joint Economic Committee; and

H.J. Res. 1041. Joint resolution establishing that the second regular session of the 91st Congress convene at noon on Monday, January 19, 1970.

On December 29, 1969:

H.R. 4293. An act to provide for continuation of authority for regulation of exports; and

H.R. 13270. An act to reform the income tax laws.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED SUBSEQUENT TO SINE DIE ADJOURNMENT

The Secretary of the Senate reported that on December 26, 1969, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1075. An act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other purposes; and

S. J. Res. 117. Joint resolution to authorize appropriations for expenses of the Office of Intergovernmental Relations, and for other purposes.

APPROVAL OF BILLS AND JOINT RESOLUTIONS SUBSEQUENT TO SINE DIE ADJOURNMENT

The President of the United States, subsequent to the sine die adjournment of the first session of the 91st Congress, notified the Secretary of the Senate that he had approved and signed the following acts and joint resolutions:

On December 23, 1969:

S. 2577. An act to lower interest rates and fight inflation; to help housing, small business, and employment; to increase the availability of mortgage credit; and for other purposes.

On December 24, 1969:

S. 1108. An act to waive the acreage limitations of section 1(b) of the act of June 14, 1926, as amended, with respect to conveyance of lands to the State of Nevada for inclusion in the Valley of Fire State Park;

S. 2734. An act granting the consent of Congress to the Connecticut-New York railroad passenger transportation compact;

S. 2864. An act to amend and extend laws relating to housing and urban development, and for other purposes;

S. 3169. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes;

S. J. Res. 54. Joint resolution consenting to an extension and renewal of the interstate compact to conserve oil and gas; and

S. J. Res. 90. Joint resolution to enable the United States to organize and hold a diplomatic conference in the United States in fiscal year 1970 to negotiate a Patent Co-

operation Treaty and authorize an appropriation therefor.

On December 26, 1969:

S. 59. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Army National Guard Facility, Ethan Allen, and the U.S. Army Materiel Command Firing Range, Underhill, Vt.

On December 30, 1969:

S. 65. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Emogene Tilmon of Logan County, Ark.;

S. 80. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Enoch A. Lowder of Logan County, Ark.;

S. 81. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to J. B. Smith and Sula E. Smith, of Magazine, Ark.;

S. 82. An act to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Wayne Tilmon and Emogene Tilmon of Logan County, Ark.;

S. 740. An act to establish the Cabinet Committee on Opportunities for Spanish-speaking People, and for other purposes;

S. 2325. An act to amend title 5, United States Code, to provide for additional positions in grades GS-16, GS-17, and GS-18;

S. 2917. An act to provide for the protection of the health and safety of persons working in the coal mining industry of the United States, and for other purposes;

S. 3016. An act to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes;

S.J. Res. 117. Joint resolution to authorize appropriations for expenses of the Office of Intergovernmental Relations, and for other purposes; and

S.J. Res. 154. Joint resolution to authorize and request the President to proclaim the month of January 1970 as "National Blood Donor Month."

On January 1, 1970:

S. 1075. An act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other purposes.

NOMINATIONS

Executive nominations received by the Senate December 23, 1969:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Lyle S. Garlock, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1969, vice Leonard v. B. Sutton, term expired.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general

Maj. Gen. George Edward Pickett, **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Roger Merrill Lilly, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Woodrow Wilson Vaughan, **xxx-xx-xx...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Gilbert Hume Woodward, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Glenn David Walker, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Melvin Zals, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Charles Gribble, Junior, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward Leon Rowny, **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Norton, **xxx-xx-xxxx** Army of the United States (brigadier, U.S. Army).

Maj. Gen. Walter James Woolwine, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James William Sutherland, Jr., **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Elmer Hugo Almquist, Jr., **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Leo Bond Jones, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Albert Becker, **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Frederick Carlton Weyand, **xxx-xx-xx...** Army of the United States (brigadier general, U.S. Army).

Lt. Gen. George Irvin Forsythe, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Orwin Clark Talbott, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Walter Philip Leber, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Hancock Hay, Jr., **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard Joe Seitz, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clarence Joseph Lang, **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ellis Warner Williamson, **xxx-xx-x...**

xxx-x... Army of the United States (brigadier general, U.S. Army).

Lt. Gen. William Eugene DePuy, **xxx-xx-xx...** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard Thomas Knowles, **xxx-xx-xxxx** Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Russell Deane, Jr., **xxx-xx-x...** Army of the United States (brigadier general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate December 23, 1969:

IN THE ARMY

The following-named officer for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Chaplain (Colonel) Gerhardt Wilfred Hyatt, **xxx-xx-xxxx** Army of the United States (lieutenant colonel, U.S. Army).

IN THE NAVY

Vice Adm. Allen M. Shinn, U.S. Navy, for appointment to the grade of vice admiral, when retired, in accordance with the provisions of title 10, United States Code, section 5233.

Rear Adm. Frederic A. Bardshar, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE ARMY

The nominations beginning William J. Nelson, to be lieutenant colonel and ending Thomas F. Zurla, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 12, 1969.

IN THE NAVY

The nominations beginning David G. Adams, to be ensign, and ending Charles T. Walter, Jr., to be a permanent lieutenant (j.g.) and a temporary lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 12, 1969.

The nominations beginning Kenneth Dean Anerud, to be lieutenant, and ending Charles K. Kicker, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 16, 1969.

IN THE MARINE CORPS

The nominations beginning Michael R. Antonelli, to be second lieutenant, and ending George E. Zakielarz, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on December 12, 1969.

EXTENSIONS OF REMARKS

THE 91ST CONGRESS—ITS RECORD OF INITIATIVE AND INNOVATION

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 23, 1969

Mr. McCORMACK. Mr. Speaker, the House of Representatives during the first session of the 91st Congress has seized the initiative and been innovative in every significant area of legislation.

Its record in this respect stands out in sharp contrast to that of the executive branch.

Early this year I urged the chairmen of the several committees of the House to promptly review the various legislative areas falling within their jurisdiction and to move ahead as expeditiously as possible on the major bills that Congress would have to deal with during this session. I am most gratified with the response given my request. In every major field the committee chairmen moved promptly to fill the vacuum created by

the lack of Presidential recommendations. In all too many cases, unfortunately, their efforts were severely hampered by lack of recommendations and cooperation from the executive branch.

For example, Chairman CELLER on January 6 introduced House Joint Resolution 179 to provide for the direct election of the President and Vice President. This was in response to the near constitutional crisis resulting from last year's presidential election. He commenced public hearings on February 5. President Nixon did not transmit his