zales Loot Gayoso; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 9393. A bill for the relief of Seth J. Edwards, Jr.; to the Committee on the Judiciary.

H.R. 9394. A bill for the relief of Dr. Shuhsien Liu; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 9395. A bill for the relief of Joao de Avila; to the Committee on the Judiciary.

H.R. 9396. A bill for the relief of Mr. and Mrs. Onofrio Milazzo and their children, Angela and Antonio; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 9397. A bill for the relief of Margarida Aldora Correia dos Reis; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 9398. A bill for the relief of Dr. Guillermo Del Castillo, Jr., and his wife, Mercedes Del Castillo; to the Committee on the Judiciary.

By Mr. PODELL:

H.R. 9399. A bill for the relief of Ivy May Budhai; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 9400. A bill for the relief of Rogelio Antonio Anglin; to the Committee on the Judiciary.

H.R. 9401. A bill for the relief of Arrindell Oswald Thompson; to the Committee on the Judiciary.

By Mr. ROGERS of Florida (by request):

H.R. 9402. A bill for the relief of Lt. Col. Robert W. Stewart, Jr., U.S. Air Force; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 9403. A bill for the relief of Genoveffa Siano Ruocco; to the Committee on the Judiciary.

SENATE—*Monday, March 24, 1969*

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

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

Almighty God, infinite, eternal, and unchangeable, who hast brought us to the beginning of another week, we thank Thee for the changing beauty of the world about us and for the silent spaces of the soul within us. We thank Thee for those things which eye hath not seen, nor ear heard, which belong to the pure in heart who know Thee. Help us, O Lord, to meet Thee not only in the moment of prayer, but in the call of duty and the toil of the day. Confer upon each Member of this House a full measure of Thy spirit—a wise mind, a just conscience and a loving heart. Keep us loyal to every hallowed memory of the past and open to every high vision of the future.

O Thou, who has made and preserved us a nation, grant that our strength may be in righteousness and justice, and fit us to be the servant people of all mankind.

In Thy holy name, we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 20, 1969, be dispensed with.

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

MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 20, 1969, the Secretary of the Senate, on March 20, 1969, received a message in writing from the President of the United States submitting a nomination, which was referred to the Committee on the Judiciary.

(For nomination received on March 20, 1969, see the end of proceedings of today, March 24, 1969.)

MESSAGES FROM THE PRESIDENT

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

REPORT ON ACTIVITIES IN 1968 UNDER THE FEDERAL DISASTER ACT—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works:

To the Congress of the United States:

I hereby transmit the annual report of federal activity under authority of the Federal Disaster Act (Public Law 875, 81st Congress, as amended). Such a report is required by Section 8 of that law.

Funds which have been used to support these activities are specifically appropriated to the President for purposes of disaster relief.

RICHARD NIXON.

THE WHITE HOUSE, *March 24, 1969.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 515) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to clarify responsibilities related to providing free and reduced-price meals and preventing discrimination against children, to revise program matching requirements, to strengthen the nutrition training and education benefits of the programs, and otherwise to strengthen the food service programs for children in schools and service institutions, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 515) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to clarify responsibilities related to providing free and reduced-price meals and preventing discrimination against children, to revise program matching requirements, to strengthen the nutrition training and education benefits of the programs, and otherwise to strengthen the food service programs for children in schools and service institutions, was read twice by its title and referred to the Committee on Agriculture and Forestry.

WAIVER OF CALL OF THE CALENDAR

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

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

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at the conclusion of morning business, I be recognized for a period not to exceed 20 minutes.

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

Mr. MANSFIELD. And that immediately upon the conclusion of my remarks, the distinguished Senator from Tennessee (Mr. BAKER) be recognized for 1 hour.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

THE GRIM REALITY OF VIETNAM

Mr. MANSFIELD. Mr. President, that we may be preoccupied with other matters in the United States does not give us leave to forget that several hundred American men are dying weekly in the war in Vietnam and that, in this conflict to date, the total of American deaths is at the 33,000 level. To the family of a serviceman in Vietnam, his presence in a battle zone serves as a constant reminder of a grimness of this barbaric war. To others, the death in Vietnam of a friend, a neighbor, or a hometown boy brings the war close. However, the brutal reality registers with us, more and more, it touches all.

Recently, the Independent Record of Helena, Mont., published a story about the return of one young man who was killed in Vietnam, Sgt. Tom Grose. This lad worked for the Record before being called by his Government to serve in a distant land. He lost his life when his helicopter was shot down. It is a story heard almost every day in Vietnam. Yet the death of Tom Grose is not an everyday story in Helena. The newspaper account of his tragic homecoming made his sacrifice for the Nation a part of the lives of an entire community. It was a poignant reminder to all of us of the grim reality of the war in Vietnam.

I ask unanimous consent, Mr. President, that the article be printed in the RECORD at this point.

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

[From the Helena (Mont.) Independent Record, Mar. 12, 1969]

HELENA BOY COMES HOME

A Helena boy came home from Vietnam.

And they were all there—his family, his relatives, his neighbors, his friends . . . so many friends.

It wasn't a reception. They were there to say good-by.

They didn't come to see the handsome, dark-haired, good-natured boy who left Helena a year and a half ago.

They came to see a coffin, draped with the flag of the country he volunteered to serve and for which he died—a coffin first surrounded by flowers in a funeral chapel, then lowered into the snow-covered ground in the Helena Valley.

He came home a hero. A dead hero.

He had received the Distinguished Flying Cross a month or so earlier, for dashing from his helicopter to rescue two wounded men at a place most people never heard of, Ding Tuong. He earned his sergeant's stripes, but the word hadn't gotten to him when his helicopter was shot down two weeks ago.

So they came to mourn him Tuesday afternoon in Helena.

They came to hear the soloist sing "The Impossible Dream." The words were especially meaningful: ". . . to fight for the right without question or pause . . . The world will be better for this . . ."

They came to hear a chaplain say, "Years are a poor criteria for the measurement of life." And that the young soldier died "in defense of freedom and that which is good in the world . . . one of the heroes who gave his life that others may live—live in freedom, live in the sense of victory." And to tell his parents, "You gave a priceless gift to mankind . . ." and urge them to "lean on God in your sorrow."

They came to hear a father's poetic tribute, written before his soldier-son died: "He heard his country's duty call . . . A gallant young American of heritage, unafraid to die . . . With the blessings of our Savior, he will come winging home again." It was signed: "With pride and humility, your Dad."

They came to stand in the snow on a brilliant but cold winter afternoon; to watch a formation of five Army helicopters fly over the gravesite in tribute; to hear the crisp commands of the military honor guard, the sharp crack of the rifles fired over the casket.

And the bugler sound "Taps."

"Taps" always brings a lump to the throat. This time it had a deeper meaning—a deeper impact.

Similar ceremonies have occurred in Helena before and are occurring every day throughout the nation. But this one was closer to us at The Independent Record because we knew Tom Grose. His dad works with us, and so did Tom before he put on a uniform and went away to fight and become a hero and die in a faraway land in an "unpopular" war which some others of his age are protesting by rioting, by desecrating the flag he fought under and by threatening to destroy the freedoms he died for.

We knew how close Tom and his dad were, what pals they were, how proud his dad was of him.

As his dad said just the other day:

"We raised him a man, and he died a man."

He was 20 years old.

PRESIDENT NIXON'S ADDRESS BEFORE THE AMERICAN LEGION

Mr. DIRKSEN. Mr. President, during the Annual American Legion banquet held Saturday evening, March 15, in the Sheraton-Park Hotel, President Nixon accepted the American Legion's gift to the Nation and pushed a button turning on the lights at the Tomb of the Unknowns in Arlington Cemetery.

I ask unanimous consent that the remarks of President Nixon made at this moving ceremony be printed in the RECORD.

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

REMARKS OF THE PRESIDENT AT THE AMERICAN LEGION'S 50TH ANNIVERSARY DINNER, MARCH 15, 1969

Commander Doyle, all the Distinguished Guests at the Head Tables, and all the Distinguished Guests at this dinner in Washington, which the American Legion has been giving for so many years to honor Members of Congress:

The Commander has apologized for what he is wearing. What do you think of what I am wearing?

I assure you that, as I told the Commander as we were coming in, only the fact that I had agreed several months ago to attend the annual Gridiron Dinner, where I am to speak later this evening and that is to be a white tie affair at the Statler Hotel, only that has made it impossible for me to be with you at this dinner. But if you come back next year, I promise that this one will come first and the Gridiron will come second.

If I may be permitted a few brief words before returning to the dinner at the Statler, I should first like to express a recollection: It is rather hard for me to realize that I have been a member of the American Legion going back to the year 1946, and also hard for me to realize that I have attended—and I think, Commander, that you will find this is the case—18 of these dinners in Washington, D.C., and I think perhaps I have spoken to the American Legion Convention more than any other living American.

I won't make the same speech tonight. But I feel very much at home here. I feel very much at home because I know so many of you. I have visited your States. I know what you stand for. I know of your strong convictions. And right now, incidentally, I want to express my appreciation for some resolutions that you passed today supporting my national defense policy—our national defense policy.

Having spoken to that policy, may I say a word with regard to the very moving ceremony in which I have just participated?

Fifty years ago this organization was founded, and through 50 years it has served the Nation well. It has served it in so many ways that many Americans are not aware of, but particularly in a way that I am particularly aware of, and that is in the cause of keeping the Nation strong—strong militarily, strong spiritually, strong in every way, so that America could lead in the cause for peace.

I think that sometimes we fail to understand that only through strength can this great Nation lead for peace, and it is that kind of strength that we want.

As I tried to emphasize, when I was announcing the very difficult decision, a decision on which many, with great honesty, have disagreed with me—perhaps some in this room—a decision with regard to the anti-ballistic missile—the purpose of our strength is not in any sense a threat to any other nation, but I know that the strength of America is so essential for those who will be meeting with others in various parts of the world over the next few years in conferences that will determine whether we will have war or peace.

My friends, whoever is President of the United States, whether it is the man standing before you today, or whether it is his successor, let us be sure that whenever our President sits at a conference table with any other nation, the United States is never a second-rate military power.

This is not said with any belligerence. It is said only in the sense that a strong Nation can speak of its beliefs and of what it is willing to do in order to protect those beliefs and to stand for them.

Now a word about the ceremony: A few years ago, as Vice President of the United States, I participated in the occasion when the Unknown Soldier from World War II and the Unknown Soldier from Korea were buried at the Tomb of the Unknowns.

I will never forget that day and the thoughts that ran through my mind on that occasion. On my recent trip to Europe, I laid a wreath on behalf of all the American people at the Tomb of an Unknown Soldier in London, another at the Tomb of an Unknown Soldier in Rome, and another at the Tomb of an unknown Soldier at the Arc de Triomphe in Paris.

I thought of all of them and of all of ours. And I realized how great our responsibility was—yours and mine—to see to it that this great Nation meets its responsibility in the world to maintain our strength so that we can negotiate the differences between nations, thus possibly avoid another war, and thereby see to it that the day will come when it will not be necessary for us to bring home men, whether unknown or known, after they have fought and died in the Nation's wars. We feel that way particularly about our own.

But also, as Americans, we feel that way about every other person in the world. It is tragic to think of young men—and I have seen them in Korea, 18, 19, 20—so young—with all their hopes and ideals, and all their lives ahead of them, suddenly to have life snuffed out. That is true whether they be American boys, French boys, and Italian boys or Russian boys.

Whoever the boy is, we want to create the kind of world in which he can grow up in peace with all other peoples.

That is what I believe. That is what the Legion stands for. That is why you are for strength. I pledge to you that, backed by the strong positions you have taken, we will maintain America's military strength;

and from that position of strength, not with arrogance, not with belligerence, we will attempt to develop new channels which lead to peace. I believe it is possible.

I thank you for the opportunity to be here, even though briefly, to share my thoughts with you and to tell you that when I joined the Legion—and I was young then, in 1946—I ran for Congress that year—I was proud to be a member of the Legion. I have been proud of my membership ever since. And I will be proud to be with you at your convention next year.

Thank you.

REAPPOINTMENT OF SENATOR PROUTY TO THE NATIONAL FISHERIES CENTER AND AQUARIUM ADVISORY BOARD

The VICE PRESIDENT. The Chair, under the provisions of Public Law 87-758, reappoints the Senator from Vermont (Mr. PROUTY) to the National Fisheries Center and Aquarium Advisory Board.

THE SPANISH BASES

Mr. SYMINGTON. Mr. President, tomorrow, negotiations between the United States and Spain are scheduled to resume with respect to the renewal, for 5 more years, of our rights to use the military facilities we constructed in that country some 15 years ago.

While there could be no doubt the executive branch has the responsibility for determining policy in such a matter, there can be no disagreement that any decision which requires the United States to pay Spain additional money for the use of these facilities, through either military or economic assistance, will require the approval of Congress.

The substance of the scheduled talks for tomorrow, therefore, involves both the executive and legislative branches of this Government.

It is no secret that for some time responsible people, both in and out of this Government, have become increasingly disturbed at the number and cost of U.S. military locations in foreign countries. They are troubled, therefore, not only by the political commitments and agreements which are consistently exacted in return for these facilities, but also by the resulting steadily increasing dollar drain.

Not the least of their worries is the fact that in some cases it would appear the Defense Department rather than the State Department has been the decisive agency in determining foreign policy.

This is one reason why last month the Senate Foreign Relations Committee authorized the establishment of a Subcommittee on United States Security Agreements and Commitments Abroad. This subcommittee has only begun its fact-finding efforts; but because recent press stories have discussed these Spanish base negotiations in some detail, we have inquired so as to determine the positions of the various executive agencies in this matter.

So far it has not been possible to obtain copies of the negotiating directives given to the representatives of the United States prior to their talks with the Spanish. We expect this information any minute.

In the meantime, let us note that the decision by Spain to exercise its option under the original 1953 agreement, and renegotiate renewal terms for the use of these facilities, does not and should not mean that the cost of the bases to the United States goes up automatically; and although it is our understanding the United States did not seek these new negotiations, the latter now offer us an opportunity to make basic reassessments of the need of the facilities in question.

This country does not have the financial resources necessary to continue leasing military installations which were constructed originally under defense policies that now appear obsolescent to the point of being obsolete.

Actually, we believe a case could be made for the bases being more important to the Spanish Government—politically, financially, and militarily—than to the United States.

In any case, we are confident everyone agrees that the question of U.S. involvement in this case should now be reviewed before this Government commits itself to the outlay of additional hundreds of millions of dollars.

The taxpayers of this Nation are now supporting some 430 military establishments overseas; therefore, because of the current unprecedented requirements for additional taxes, conveniences can no longer be permitted to continue to masquerade as necessities.

In this connection, I ask unanimous consent to have printed at this point in the RECORD an editorial published in the Washington Post on March 17, an editorial published in the St. Louis Post-Dispatch on March 19, editorial published in the Washington Daily News of March 22, and an editorial published in the New York Times of March 23.

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

[From the Washington Post, Mar. 17, 1969]

THE SPANISH BASES

This week Spanish Foreign Minister Fernando Castiello Maiz arrives in Washington to conduct the final round of negotiations for the continued American occupancy of four bases in Spain, whose lease expires March 26. These bases—three Air Force, one Navy—have quite a history. They were established in 1953, in the most frigid years of the Cold War as part of the defense system that ringed the Soviet Union, from Spain and Morocco to Turkey. In return for the leased land, the United States pumped $1.2 billion in economic and military assistance into Spain over the next ten years. In 1963 the lease was renewed for five years in return for $100 million in military aid. Last summer the Spanish came back with a demand for $1 billion for the next five years, a sum that was later scaled down to $700 million in military aid. There were other Spanish demands as well, among them a commitment that the United States come to Spain's defense in case of attack—presumably, and incredibly, from North Africa. The American Government's position on all this has been far from clear, in part because the Johnson Administration apparently authorized a major general to do its diplomatic business in Spain, and it is not at all certain that his views coincide with the Government's. The notion now is that the United States will settle for a five-year extension at $100 million.

It is an astonishing business. No one, not even the Air Force, contends that the three air bases in Spain—in this, the age of the ICBM—are essential to American defense. "Desirable" is about the strongest word one can in good conscience extract, and that largely on the basis that the Department of Defense, the bureaucratic proof of the validity of the territorial imperative, never voluntarily gives up its turf, in this case three air bases. The naval base, useful for the servicing of Polaris submarines, is not essential either; it is marginally less expensive to service the subs in Rota, rather than the Eastern United States, and that is about all. So there is little in the way of persuasive military argument for retention of the bases and the 10,000 men who man them, particularly at a $700 million price tag.

The objections to extension of the lease, however, go way beyond $100 million or $1 billion and four obsolete and obsolescent bases. It is that the money in military aid will go to the Franco regime at precisely the time when it is under heaviest fire from its critics—left, right and center, from anarchist to monarchist—for reinstating the repression so characteristic of "the system" in the years immediately following the civil war. To conclude this agreement now would be to place the weight of Washington behind the generals in Madrid, no matter how many explanatory speeches, statements and backgrounders came from the White House. Beyond that, and not very far beyond it, is the inadvertent stake we acquire in a country once we establish bases and staff them with American soldiers. Diplomacy follows the flag. Who rules in Madrid becomes important not for political reasons but for military ones: What will they do to the bases? It would be interesting to know how the Administration is sorting out these questions. Which comes first: politics or military security, in this case—by most of the evidence—a dubious military security.

In short, this agreement appears to have very little to recommend it. It does not appear to be favorable to American interests on any grounds, military, political or economic, and in fact would tend to bring this country into disrepute with exactly those elements, in Spain and out of it, who should be our allies. A persuasive case for renewal of the leases has yet to be made.

[From the St. Louis Post-Dispatch, Mar. 19, 1969]

BASES WE DON'T NEED

Unless the agreement under which the United States maintains two air fields and a Polaris submarine base in Spain is renewed by March 26, we will have to evacuate them within a year. And that is just what President Nixon ought to plan to do. President Johnson left the renewal negotiations to a general—Gen. David Burchinal—who tentatively accepted obligations to defend Spain beyond those of the agreement made in 1953. And Gen. Franco wants $700,000,000. The bases hardly are worth the price, militarily or politically.

In the cold war era and before we had B 52s and other long-range aircraft, they may have been deemed necessary. But today even our submarines could be berthed in American harbors without serious loss of effectiveness. This, in itself, ought to be decisive. Every unjustifiable military establishment ought to be closed, regardless of empire-builders in the Pentagon. The political case is even more conclusive. Gen. Franco has ended a slight trend toward more liberal policies by declaring a "state of exception" under which virtually all freedoms have been suspended. Censorship and arbitrary arrest again are the rule in Spain. And we may well lose the respect of Spaniards, not to mention others, by providing a military prop for such a government. Washington should have no illusions about partnership with a tyrant.

[From the Washington Daily News, Mar. 22, 1969]

U.S. BASES IN SPAIN

Next Wednesday is the deadline for the U.S. Government to make a new agreement with Spain for the three American air bases and one submarine base there. This is an opportunity for the Nixon Administration to retrench, to cut back in at least one country America's overcommitted, overextended, overpriced and frequently overaged system of global military bases.

With taxes sky-high, the Federal budget in chronic deficit, our balance of payments still in serious trouble and the Pentagon spending $80 billion yearly, it's time for spring pruning in Spain.

The air base agreement dates back to 1953—16 years ago—when the Cold War was raging in Europe and long-range missiles were in their infancy, making long-range bombers the era's "ultimate weapon."

Today, one of the bases, at Zaragoza, is officially on "caretaker," meaning inactive, status. No. 2, at Moron, near Seville, houses a small air rescue unit. No. 3, at Torrejon near Madrid, is base for a fighter wing. There is nothing done at these bases that could not be done by the Air Force units in Italy, West Germany and Britain, or by carriers of the U.S. Sixth Fleet in the Mediterranean.

The Navy base in Spain is a Polaris nuclear submarine base at Rota near Cadiz. It is believed to be useful though not essential, since maintenance could be done at the Polaris base at Holy Loch, Scotland, or Naples or at slightly higher cost at Charleston, S.C.

In contrast to the low benefit of these bases, the Spanish government's price is astronomical. Over the last five years the U.S. has given $100 million in military goods, bringing total U.S. aid to Spain over the $2 billion mark. Last year, when negotiations began for renegotiation of the agreement, Madrid plunked down a bill for $1.2 billion.

Later Spanish negotiators cut that down to $700 million, and the U.S. moved up to $140 million. The question before the taxpayer is why pay anything for facilities whose usefulness is headed toward zero?

So much for the American reputation for being shrewd businessmen!

President Nixon would be doing us all a great favor by phasing out the Spanish bases.

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

COINCIDENCE IN MADRID

One need not be overly cynical to suspect that more than coincidence connects two news items announced in Madrid the other day. One report revealed Spain's Foreign Minister will visit Washington this week for top-level talks aimed at renewing the agreement on American bases in Spain which expires next Wednesday. Almost simultaneously the Franco regime announced that the present "state of exception" will end next Tuesday, a month ahead of schedule, thus terminating the Spanish Government's special powers of arrest and censorship.

The suspicion must arise that the Franco regime's decision to drop its recent totalitarian domestic controls is inspired by hopes of removing a possible obstacle to renewal of the bases agreement. It is well known that the Madrid authorities' recent repressive measures have given new arguments to Americans who oppose that pact's extension.

Spain's easing of totalitarian controls is welcome, but it does not make the bases agreement automatically acceptable. Certainly if the Spanish air and submarine facilities are essential for American and Atlantic security, the need is for renewal of the agreement at minimum possible cost. But if technology in this era of intercontinental missiles has made these bases obsolete, this country should withdraw its military forces from Spain as soon as possible. The latter course is particularly desirable because of the spur United States bases give to anti-American sentiment in Spain. The burden of proof is on those who would keep the existing arrangements intact despite the vast increase in the nation's missile capacity since the original 1953 agreement.

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

Mr. SYMINGTON. I am glad to yield to the able assistant majority leader.

Mr. KENNEDY. Mr. President, I commend the distinguished Senator from Missouri for bringing this matter to the attention of the Senate. I wonder if the Senator would enlighten us on how we fix the amount we are going to pay for these bases. The figures which have been outlined here seem to be exceedingly high. How do we establish what the rate will be in terms of payment to the Spanish Government or to other countries having these bases?

Mr. SYMINGTON. Mr. President, in reply to the inquiry of the distinguished assistant majority leader, we are attempting to find out the reasons for what we understand are going to be heavy payments that the United States is being asked to make, to have the right to continue to defend freedom in Spain.

Mr. KENNEDY. Am I correct in assuming that this rental has been increasing over the past few years?

Mr. SYMINGTON. It has been a high rental, an arrangement I believe started in 1953, and has been extended. We understand the original request was for many hundreds of millions of dollars more than finally agreed upon. But why should we now increase the already heavy payments to the Spanish Government for the right to have some mutual defense?

Mr. KENNEDY. Mr. President, I commend the Senator from Missouri for his interest and the interest of his committee in reviewing this subject. When I saw reported again this morning in the newspapers the extraordinary budget requested for the military, it occurred to me that the American people will want to know why we are considering spending hundreds of millions of dollars for bases around the world when it appears that these bases, as pointed out by the Senator, are to protect the security of other countries, Spain, in this instance, or, in other cases, Libya, or other countries.

I think the Senator has performed a great service in bringing this matter to the attention of the Senate.

Mr. SYMINGTON. I am very grateful to the assistant majority leader. With his usual perspicacity, he noted in the press this morning that the Federal budget will be larger this year than ever before. That is one reason I desired to make this short statement this morning; so that those who are starting the negotiations tomorrow will bear in mind congressional apprehension about the serious financial situation currently faced by the United States.

SENATOR RUSSELL'S ILLNESS

Mr. TALMADGE. Mr. President, we all extremely regretted to learn last week that the distinguished senior Senator from Georgia, my warm friend and colleague, DICK RUSSELL, has developed a tumor on his left lung that is possibly malignant.

Senator RUSSELL's illness shocked not only his beloved State of Georgia, but the entire Nation as well. Our prayers go out to Senator RUSSELL at this difficult time, and all the Nation hopes for his full and complete recovery.

There have appeared editorials in the Georgia press, as well as an article by the respected columnist William S. White, in well-deserved praise of Senator RUSSELL. I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD.

There will no doubt be additional editorial tribute to Georgia's great Senator, and from time to time I will offer them for the RECORD.

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

[From the Atlanta (Ga.) Journal, Mar. 21, 1969]

A MAN OF QUALITY

The news that Sen. Richard B. Russell may be seriously ill is distressing but the word that he will remain in the Senate is reassuring.

Sen. Russell is in his 36th year in the U.S. Senate and is a man of intelligence, quality and integrity. We shudder to think of his successor if he should resign.

His seniority plus other attributes mean a lot to Georgia. It is a good thing for the state that he decided to stay at his post. Public servants of Sen. Russell's quality don't come along often. He is a man with convictions plus courage and while his convictions don't please everybody there is no valid reason why they should.

The Atlanta Journal wishes the senator the best of luck in his effort to regain his health.

[From the Columbus (Ga.) Enquirer, Mar. 19, 1969]

OUR SENATOR'S SENATOR

U.S. Senator Richard Brevard Russell undoubtedly is Georgia's greatest single human resource. For years he has been considered one of the most powerful and effective members of the Senate. Now that he is chairman of the Appropriations Committee, the fact that he is the U.S. Senate's most powerful and influential member is unquestioned.

Recently someone from Massachusetts wrote this question to nationally-circulated Parade Magazine: Who is the most powerful man in the U.S. Senate, Mike Mansfield, Everett Dirksen, or Ted Kennedy? Parade's matter-of-fact answer was: "Most powerful man in the Senate is Georgia Democrat Richard Russell, ex-head of the Armed Services Committee and now head of the appropriations committee . . ."

What makes our senior senator so influential? First, it's experience. Sen. Russell, a bachelor, has served in public office since he was 23 when first elected to the Georgia Legislature.

From 1927 to 1931, just four years after he was elected to the Legislature in the first place, Sen. Russell served as Speaker of the House. Then in 1931 Richard Russell was elected governor, while only 33 years old—the youngest chief executive ever chosen by his state. Therefore his immense ability revealed itself in a dramatic way at a very early age.

The vast power that Sen. Russell holds doesn't show itself in the form of headlines (although whenever he chooses to make a public statement, he does indeed make headlines), rather it is a quiet sort of power emanating from his personal brilliance, his legislative expertise and impeccable integrity. Word is that even the most influential in

that august body yield to the bywords: "Clear it with Dick Russell."

Considering that the 72-year-old senator suffers from the lung ailment, emphysema, which from time to time requires specialized treatment, the senior senator seems to be getting along reasonably well.

Last weekend the powerful voice of Sen. Russell publicly supported President Nixon's newly announced program to develop the "safeguard" missile defense system. The weight of his utterance, it seemed, pretty well cooled the anti-missile debate.

This senator's senator is now serving his seventh full term in this country's leading deliberative body. He entered the U.S. Senate on Jan. 12, 1933 following a special election to fill the unexpired term of the late William J. Harris.

Few have achieved the national stature of Sen. Russell—probably no one not elected to the presidency itself. It should be a source of pride for all of us that this giant of American government is a fellow Georgian.

NORTHERNERS' PREJUDICE KEPT SENATOR RUSSELL FROM PRESIDENCY

(William S. White)

The calm, patrician disclosure of Richard Brevard Russell that he is in the cold grip of a wasting lung tumor brings a sense of elegy to the Senate and to the country the beginning of the end of an American tragedy.

For this, one of the greatest Senators of his era and the highest embodiment of a Southern tradition of aristocratic and large-minded public service, has acted for his Nation with a gallantry and a generosity which that Nation has in fact repaid with a petty discrimination against him and all his kind.

The personal disaster that has overtaken this authentic gentleman of politics, this able and devoted guardian of true national interest, is cause for general sorrow and for more than personal sorrow. If no man is an island to himself, true it is, too, that when the great ones pass from the scene all are thereby left diminished; all are thereby left impoverished.

So it is that if grief for a man must now run high among those who know his personal value, higher yet should run grief for all the implications of a political life so cramped and cribbed and confined by needless and surely outmoded sectional prejudice.

For here has not been simply a Senator from Georgia but rather, in the best and highest meaning of that old-fashioned term, a Senator of the United States of America. On every single ordinary and rational test of performance, of competence, and of private and public honor; no politician in his time has more clearly and more repeatedly earned consideration for the highest office of them all. No one who understands the Senate can doubt that for many years he has towered there. But the trouble for Richard Brevard Russell has not been that he ever lacked the ability to be an outstanding President but only that he had himself born in the wrong place at the wrong time and thus was forever denied even a chance at that elevation which otherwise could hardly have been refused to him.

In a word, the door to the White House was locked and nailed up against him because he was "a Southerner" and thus a member of a lesser breed without the law. More than any other qualified man, he has been absurdly the victim of a kind of reverse "discrimination" which we might all usefully examine. For the ugly coin of bias has two sides, though we usually talk as though it had only one, and in Richard Russell's case the coin has always fallen into heads I win and tails you lose.

The bleak, the undeniable and the foolish unfairness of the facts of his career surely presents some opportunity for national second thoughts; surely in elementary justice requires political criteria of this country.

Granting if one wishes a thousand sins by a South long dead and gone, how long should this Nation go on and on punishing its present Southern men of talent for what went on, or is supposed to have gone on, in its long, long yesterdays? How many times must Fort Sumter be avenged and reavenged? How many times must "Northern liberals" in their inner awareness of their professional inferiority to such Richard Russells as still survive, reassure themselves by seeing to it that every Richard Russell is kept firmly in his place? How long can the Nation afford all this?

It used to be said, and truthfully, that it was the South which would not allow the Civil War to be forgotten. But is it not now—and has it not long since been—the other way round? When the Senate says farewell to Richard Brevard Russell, something much more than the Senate will have been deprived. So, too, will have been the United States of America.

Perhaps, just perhaps, it may be that his last service will not after all be that stout leadership for a strong American defense posture to which so long he has contributed so much. Perhaps it will instead be to recall a Nation to common sense, if not to a sense of ordinary justice, so that the Civil War may be ended in politics, too, and so that qualified men may be allowed to contend for the Presidency, whatever the section of their birth.

[From the Augusta (Ga.) Chronicle, Mar. 21, 1969]

BEST WISHES, SENATOR RUSSELL

It is with deep regret that we learn that Senator Richard B. Russell must undergo treatment for a lung tumor which the senator says it is "fair to assume is malignant."

At the same time, we are pleased he has seen fit continue his service in the United States Senate, where he is a tower of strength. He has served Georgia and his country long and well, and continues to do so.

It is to be hoped, of course, that the senator's medical treatment will arrest the condition for which it is given, and that he is soon restored to a greater measure of health.

And we hope, as a result, that he will be enabled to continue to serve in the Senate, giving that body the benefit of sound judgment and wise counsel.

[From the Augusta (Ga.) Herald Mar. 22, 1969]

OUR BEST TO SENATOR RUSSELL

All Georgians will share in the general dismay at learning that Sen. Richard B. Russell has been beset with an illness that could prematurely end his lengthy and distinguished career in the U.S. Senate.

Hopefully, it will not. When the senator called a special news conference to announce that he soon would be undergoing cobalt treatment for a possibly malignant lung tumor, he said he still felt fit and would continue to serve in the Senate, of which he is unquestionably the most powerful and prestigious member.

It is our most sincere hope that the treatment will prove successful and that Sen. Russell will be restored to good health. His advice and good counsel are much in need by his state and by his nation.

We wish him the very best, confident that the wish is shared in by all who hold this great and good servant in our own high level of esteem.

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

Mr. TALMADGE. I am delighted to yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I am sure that the people of Missouri would desire that I join the able Senator from Georgia in his statement with respect to one of the great public servants of our time, the able and distinguished senior Senator, whose very name is synonymous with character and ability. We all pray for his early and complete recovery.

I thank the able Senator for yielding.

Mr. TALMADGE. I thank the distinguished Senator from Missouri.

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

Mr. TALMADGE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I would like to join the distinguished Senator from Georgia in praising the remarkable senior Senator from Georgia. Certainly, if there has been a leader in the Senate for many, many years, it has been the great Senator from Georgia. I disagreed with him on some questions and agreed with him enthusiastically on other questions. He is a man with great honor, dignity, and ability. He has elevated the respect for the Senate throughout the Nation.

Mr. TALMADGE. I thank the distinguished Senator.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. YOUNG of Ohio. Mr. President, it was with feelings of extreme sadness that Senators learned that our distinguished colleague, Senator RUSSELL, of Georgia, has been afflicted with probable cancer.

We hold him in the highest admiration. Senator RUSSELL has truly been one of the great American statesmen of our generation. I know that all of the people of the United States and all Members of the Congress feel very sorrowful over his present affliction, and we hope for the best. All of us have reason to hope that due to the tremendous advances in the science of medicine during recent years that our dear friend and highly respected colleague, without doubt our best beloved colleague, will achieve a complete recovery.

Mr. TALMADGE. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that my time may be extended in order that I may yield to the distinguished Senator from Washington.

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

Mr. MAGNUSON. Mr. President, I thank the distinguished Senator from Georgia for yielding.

I cannot add much to what has been said already about Senator RUSSELL, of Georgia. I speak of him as a great Senator of the United States over the years. I have known him intimately for 32 years, since I first came to Congress. He has been my seatmate for 20 years. I have known him as a personal friend and adviser.

I suggest to Senators today that over the years we have helped, sometimes taken the initiative, in the field of health pertaining to the affliction that has fallen upon our friend from Georgia. We have done great things in the field of research. The senior Senator from Georgia supported those programs when they came before the Committee on Appropriations.

I wish to add a little hope. Marvelous things are done today in the field of health. I am sure if there is anything

in medical research or medical progress that can be helpful, it is because Senator RUSSELL, as a member of the Committee on Appropriations, has helped thousands of Americans in the same way. I have some hope that with these treatments, whatever they may do, he will come out all right. We all pray that he will.

I speak of him as a friend. Our friendship has extended over a quarter of a century.

Mr. TALMADGE. I thank the distinguished Senator from Washington. We all join in the prayer that modern medical science, highly developed as it is, may effectuate a speedy cure.

Mr. President, I ask unanimous consent that I may yield to the Senator from Pennsylvania.

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

Mr. SCOTT. Mr. President, it is the men who are the strength of the state. While ours is said to be a government of laws and not men, nevertheless it is by the strength of those who provide leadership and character, the men who stand the tallest, who command respect because of the nature of their being, because of their inward character, which establishes, as well, their high reputation, that we are led sometimes to rise beyond ourselves and above ourselves.

Such a man is our beloved Senator RUSSELL, who in a moment tinged with great courage, and at the same time in a matter where sympathy and concern of all of us is so deeply enlisted, has made a statement of an illness which causes all of us to grieve with him and to be much moved by this unhappy disclosure.

Mr. President, the prayers of his colleagues, the prayers of the people of Georgia, and the prayers of the people of the United States rise as one for the well being and complete recovery of this greatest—if I may say so—of our statesmen in this body.

Mr. TALMADGE. I thank the distinguished minority whip.

Mr. ALLEN. Mr. President, I desire to associate myself with the remarks of the junior Senator from Georgia, the Senator from Wisconsin, the Senator from Missouri, the Senator from Ohio, the Senator from Washington, and the Senator from Pennsylvania, all of whom have paid high tribute to the great senior Senator from Georgia (Mr. RUSSELL).

Although I am young to the Halls of the Senate, I have had the privilege and the pleasure of knowing Senator RUSSELL for many, many years. As a young man, I recall when he was elected Governor of Georgia in the early thirties, and then coming to this august body in January of 1933.

Mr. President, the people of Alabama regard the two Senators from Georgia as also being Senators from Alabama. We greatly admire them. We admire their service to the South and to the Nation.

In 1952, I had the honor to cast the first vote cast in the Democratic National Convention of that year for Senator RUSSELL for the Democratic nomination for the Presidency. Senator RUSSELL would have made a great President. Think how history might have been changed had he been elected, as many millions of Americans feel he should have been elected to the Presidency of the United States. Mr. President, the people of Alabama hope and pray for the full and complete recovery of Senator RUSSELL. Certainly it would be the prayer of every person in the Nation that he return to the Senate to render his full and valuable services here.

Thus, it is with a heavy heart that we in Alabama hear of the illness of Senator RUSSELL. To a man, the people of Alabama pray for his recovery.

Mr. TALMADGE. I thank my distinguished friend, neighbor, and colleague from Alabama for the generosity of his remarks.

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

Mr. TALMADGE. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I, too, want to express my feelings on the illness which has beset our beloved colleague, the senior Senator from Georgia, the President pro tempore of the Senate.

I know that every Member of this body shares the feelings which have been so eloquently expressed by Senator RUSSELL's colleague, Senator TALMADGE, and by others who have spoken on this matter today.

May I say, also, that I am not on my feet at the moment to deliver a eulogy. I simply wish to express the hope that before too long, as a result of the treatments which our colleague will receive, he will be fully recovered and able to assume to the fullest extent his chair as the Presiding Officer of this body in the absence of the Vice President, and his functions as the chairman or member of the various committees on which he serves. It is heartening to know that in the meantime he will continue to give us the inspiration, the advice, and the counsel which mark him so much a man apart and yet a man among us.

In this respect, I am delighted to know that the doctors have told him, despite the treatments which he is now undertaking, that he should remain on the job as much as possible.

I am also happy to note, of course—although not surprised—that immediately upon receipt of the knowledge that he would have to undertake these treatments, Senator RUSSELL kept the pledge he made to the people of his State and notified them immediately, so that there was no room and no time for rumors to spring up and be distributed about.

So our prayers go out to Senator RUSSELL in the hope of his full recovery, because he is one man whom we very much need in this body.

Mr. TALMADGE. I thank the distinguished majority leader. Let me say that Senator RUSSELL is on duty today, having taken treatments over the weekend at Walter Reed Hospital. He expects to continue to perform his duties as long as he is physically able to do so—which we hope will be a long, long time in the future.

The VICE PRESIDENT. The time of the Senator from Georgia has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Georgia may proceed for another 5 minutes.

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

Mr. KENNEDY. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I am happy to yield to the Senator from Massachusetts, the distinguished majority whip.

Mr. KENNEDY. Mr. President, when I came to the Senate in 1963, I heeded some worthwhile advice that my older brother, President Kennedy, gave to me, which was to go down and visit with the distinguished Senator from Georgia (Mr. RUSSELL). My brother said that I could gain from Senator RUSSELL some impressions about conduct in the Senate, an insight into its workings and its functions, and thereby obtain a better grasp of its direction and purpose.

Mr. President, I did seek out Senator RUSSELL, and he was extremely kind and generous in taking his time to talk to me. The time I spent with him was informative and delightful and among the most profitable I have spent in the Senate. I gained from that experience. One of the things I gained was an early realization of and considerable respect and admiration for the character of this distinguished Senator who represents his State and the Nation so well.

There have been times when the Senator from Georgia and I have looked at the issues in different ways and with different lights and have taken different sides; but I realized, and I think that everyone who has come to the Senate realizes, that Senator RUSSELL established a true senatorial code of conduct; that he, perhaps as much as anyone else ever has, is attuned to the spirit in this body. He characterizes all that all of us believe the Senate should be.

Mr. President, his contributions to this body, and to the country, have been and will be written in the history books. He has established a tradition and a tone which will continue for many years beyond the time of his service to the Senate.

This past Saturday, it was my opportunity to visit at length with the Senator from Georgia, and, as I always am, I was benefited and lifted up by our conversation. His spirit is excellent, his determination firm, and I believe he has the ability to win this struggle.

So I rise and join my colleagues in paying a special word of tribute to the Senator from Georgia. What has been significant here this afternoon has been the tone of the comments, the recognition that Senator RUSSELL is a fighter for the things in which he believes, whether in or out of the Senate.

Now that he has one of the hard and difficult fights of his life ahead of him, I am sure he will give his full energies, efforts, and enthusiasm, which have been so characteristic of his service in this body and to the Nation, to overcome his illness.

Mr. TALMADGE. I thank my distinguished friend from Massachusetts.

Mr. President, I yield now to the distinguished senior Senator from Idaho (Mr. CHURCH).

Mr. CHURCH. Mr. President, I thank the Senator from Georgia very much.

No man can claim greater stature in the Senate than DICK RUSSELL; long recognized as the foremost statesman of the South, he also has been, in the best sense of the term, a great Senator of the United States.

The whole country has reacted to the news of his illness with genuine grief. I know that his is going to be a hard fight, but as one who suffered a malignancy 20 years ago and found a cure through deep therapy, I simply want to say it need not be a hopeless fight.

I shall not only pray for his recovery, but I shall do so with hope that he will eventually conquer his malady and come back again, with his health restored, for further years of service in the Senate.

Mr. TALMADGE. I thank my distinguished friend from Idaho.

The PRESIDING OFFICER (Mr. ALLEN in the chair). The time of the Senator has expired.

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may have 3 additional minutes.

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

Mr. TALMADGE. Mr. President, I yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, it is probably more than 25 years that I first came to know DICK RUSSELL quite well. At that time I was chairman of the Subcommittee on Agricultural Appropriations in the House of Representatives. He was the chairman of the companion committee in the Senate. At some point in time during the session, it became necessary to have the so-called conference confrontation between the House and the Senate on the differences in the bill. I quickly learned that in any kind of a tussel with DICK RUSSELL, you should be very sure that you had done your homework, because he always did his homework well, and there was nothing in that bill as to which he was not forthright at all times in defending the Senate position. So I was enriched by those experiences, and I think it had something to do with my doing my homework, also.

Out of that relationship, there ripened an intense friendship. We used to banter a little, as we went along in life, and particularly when I came to this body. I recall when we had a discussion out in the foyer about our relative ages. Perhaps I was complaining that day. He said, "What are you squawking about? You are just in three-cornered pants compared with me."

"Well," I said, "my friend from Georgia, you ought to take a look at the Congressional Directory sometime."

After that there was no more discussion about age, because he discovered I was older than he. And I demanded that he respect his seniors around here, even though my age difference was not too great.

If I were to say one thing about DICK RUSSELL, it would be his jealousy in guarding the image and the status and the reputation of this body, the U.S. Senate. He did, in season and out; and glory be his name that he had much to do, I think, with preserving the status of this body and the respect of the people for it.

Long ago someone asked me, "Who do you think is the most consistent man among the statesmen of contemporary history?" And I puzzled for a moment. Finally I said, "William Jennings Bryan." I was asked "Why?" Then, of course, I had to assign the reasons. I must say he was consistent in his entire public life. But if I were to name a contemporary statesman today who has been almost religiously consistent in his views, in his expressions, in his utterances, that man would be RICHARD BREVARD RUSSELL, of Georgia.

The whole country respects him even as this body respects him, and so our prayers go with him. I know the difficulties he has been through, because I have been in Walter Reed Hospital a good many times when he has been there. So, as hospital inmates, we used to visit back and forth and take a little comfort in each other. I wished him well then, and I pray for his recovery now, because it is within the compass of medical science to arrest even a malignancy.

May he live and flourish and prosper and do what he has said to me, not once, but half a dozen times, since this session began, he wanted to do. He said, "I want to live out my term." I said, "DICK, I want to live out my term too, and if I can give you some comfort and assistance, I shall do so." And the same words of comfort came from him.

Mr. TALMADGE. Mr. President, I thank the distinguished minority leader.

Mr. YOUNG of North Dakota. Mr. President, I wish to join with the junior Senator from Georgia (Mr. TALMADGE) and other Members of the Senate in expressing the hope and prayer that our beloved colleague, Senator RICHARD RUSSELL, will find relief and speedy recovery from a serious ailment which has plagued him for several years.

Few people could have carried on their work as usual as our friend DICK RUSSELL has in spite of his lung condition. This is so typical of the courageous and dedicated person he is.

If the good wishes and prayers of friends will help his health situation, he could not help but get well soon. No one in the Senate in my time has more friends and admirers than the senior Senator from Georgia.

I hope and pray that he will recover from this illness and be with us for many years to come.

THAT POWERFUL MILITARY-INDUSTRIAL COMPLEX

Mr. YOUNG of Ohio. Mr. President, the United States today is the world's largest military-industrial complex. Our Armed Forces total more than 3,605,000 men. We have more than 6,000 military bases within our borders. More than 1,531,000 American servicemen are stationed in more than 350 additional installations in Western Europe, Asia, Africa, and throughout the entire world. Ten percent of the American labor force is involved in either military or defense-related employment. Approximately 22,000 of our largest manufacturing corporations are prime military contractors, while more than 100,000 firms contribute some type of output to defense production.

The United States is the world's largest exporter of munitions. Our annual expenditures for defense purposes, so called, far exceed the total amount spent for welfare, education, and poverty programs.

Still, the pressures of the military-industrial complex for costlier, more intricate defense systems go on—the most recent examples being the proposed ABM system, which will cost anywhere from $6 billion to more than $100 billion and be obsolete before completion, as were all missile systems already constructed at a cost of more than $19 billion.

Meanwhile, most of our cities, where approximately 70 percent of our population live, are suffering and in deep trouble. Some of the largest have been termed dying cities. Crime, congestion, squalor, misery, and pollution of the air our people breathe are prevalent in nearly every American city. There are shameful slum areas which should no longer be tolerated. At the same time, the military-industrial establishment is given a virtual blank check for more guns and more armaments with hardly a serious thought given as to whether these are actually needed for our defense.

Few Americans question the need for maintaining our armed strength in sufficient size and quality to guarantee our security. All Americans want the United States to continue to be the strongest nation that ever existed under the bending sky of God. However, that is not to say that we should continue to spend money for armaments we do not need. We must not condone waste and inefficiency in the purchasing of those armaments, nor ignore the deleterious effects of the power of the military-industrial complex on our society.

On January 17, 1961, 3 days before he left office, President Eisenhower, himself a product of the American military system, startled Americans by forthrightly speaking out about the dangers of the "military-industrial complex."

President Eisenhower warned:

> This conjunction of an immense military establishment and a large arms industry is new in American experience.

He said its "total influence, economic, political, even spiritual, is felt in every city, statehouse, every office of the Federal Government." President Eisenhower in his farewell television and radio address to the American people uttered a somber warning of the power and arrogance of the military-industrial complex as a threat to our free institutions and our American tradition and way of life.

Yet, as our military power and our Defense Establishment have rapidly expanded, Americans generally have given scant consideration to the social and political implications of a huge military establishment on a democratic society; of the economic overdependence on Federal contracts for a community engaged in defense production; of the possibility that somehow basic American values and attitudes are being subtly perverted or destroyed.

It is with a feeling of sadness that I report it is taken for granted in Washington and among Senators and Representatives in Congress that when an officer of our Armed Forces—a commander

or captain in the Navy, a colonel or a general of the Army or Air Force or Marines—retires following 20 years or somewhat more of active service to receive the generous retirement pay for the remainder of his life, this former officer in the prime of life, in his forties or fairly early fifties, immediately announces that he is now a vice president or technical adviser or occupying some extremely high salaried official position of a well-known corporation thriving on so-called defense contracts. More than 3,600 former officers of our Armed Forces immediately following their voluntary retirement became associated with corporations of this huge military-industrial complex at high salaries. Of these officers, more than 2,000 were colonels or generals in the Army, Air Force, and Marines, and captains or admirals in the Navy. In addition, approximately 1,600 majors and lieutenant colonels of the Army, Air Force, and Marines and commanders or lieutenant commanders of the Navy retired and immediately were given lucrative positions in corporations with fat contracts for defense work. All this is so commonplace and routine that the slogan "Join the Navy and see the world" should be supplanted by "become an officer in Uncle Sam's Armed Forces, retire with assured income after 20 years, and become a captain of industry."

Doubtless, arrangements had been made before they announced their retirement and placed their uniforms in mothballs. May I pause for a moment while I wipe a tear over the plight of Gen. Curtis LeMay, who lost his $50,000 per-year industrial-military complex job when he became George Wallace's candidate for Vice President.

Before World War II the military held an honored but not a primary role in our society and in the policymaking functions of Government. Since World War II and the advent of the cold war the rapidly increasing influence of the military establishment and its allies in that huge portion of the industrial establishment dedicated to huge profits from war contracts has brought forth a new element in American life. Never in our history have we had such a prolonged period of involuntary conscription. Never in our history have we devoted for such a sustained period of time such a large percentage of our gross national product on expenditures for our Armed Forces. Never in our history have the voices of the generals and admirals carried such weight in the formulation of our national and our foreign policy, and in many of the basic institutions of our society.

It is high time that Americans reconsider just what are our national goals, the priorities that should be established toward reaching them, and the role that the military should play in that context.

As more Americans become concerned over the possible dangers of the military-industrial complex, certain facts emerge. As a Senator of the United States from one of the largest States in the Union in population and one of the foremost industrial States I am doubly concerned with the effects of military spending and the military-industrial complex. Last year Ohio corporations received more that $1,600 million of the military contract pie, an amount exceeded only in five other States. Those States were Texas, of course, California with its huge population and size and salubrious climate, and the other three States were New York, Pennsylvania, and Missouri.

Many authorities believe the existence of this mighty military-industrial complex may result in a setback for industrial diversification. Furthermore, the gigantic operations of industry whose sole business is production of materials for war and destruction is undoubtedly draining off the resources, the brains, and the skills that are actually needed to cure our domestic ills and to develop industry which will be more meaningful in respect to our long-term economic growth.

Unfortunately, Pentagon propagandists frightening the public with utterly false claims of threatened destruction from Communist China and pressuring for the need of spending billions of dollars for defensive ABM's are a current example of conscienceless public relations for the benefit of war profiteers.

The presence of the defense complex in a community often inhibits or sets back needed social reform. In many areas of the Nation a situation has been created whereby the local economy would virtually collapse if major military or so-called defense procurement were to end. If the political and social attitudes of a community do not conform to the philosophy of officials of the Defense Department, that community may suddenly find itself without defense contracts and with hundreds or thousands of jobless men and women hitherto employed in corporations with Government defense contracts, so called. An excuse or reason seems always to be advanced by Defense Department officials for their actions and decisions, frequently made without any preliminary warning.

Slowly, imperceptibly, and unconsciously, Americans are becoming conditioned to the acceptance of regimentation, wiretapping, and snooping by large defense-related investigative agencies. Slowly, Americans are accepting as natural an invasion of their individual privacy that their forefathers would have rebelled against. Unfortunately, security investigations, background reports, questioning of attitudes and opinions have become a part of our way of life.

Every facet of public life from politics to elementary and secondary school education to what is shown on motion picture screens is beginning more and more to be influenced by the growing power of the Pentagon. Our children are being subtly taught not to question the views of their military leaders, but to accept them as gospel. The military has been glorified on television and in motion pictures to the point where it is considered subversive by many citizens to criticize the Pentagon or the actions and statements of military leaders.

Through research and development grants to colleges and universities, the Pentagon has established a strong stranglehold on academic research and on the academic establishment. This has become a real threat to academic freedom. Through the power of research grants and defense contracts, there have emerged powerful coalitions of interest to maintain specific Government defense programs—a pervasive economic influence that is not always in the best interests of the Nation. This economic influence undoubtedly is translated into political influence in local, State, and National Government. Americans have witnessed this time after time over the past 20 years.

Furthermore, it has been proven over and over again that the unwarranted influence of the military-industrial complex has resulted in excessive costs, procurements scandals, and skyrocketing military budgets. Quite often taxpayers do not receive the weapons and productions for which excessive prices were paid with their tax dollars. With 25 corporations receiving nearly 50 percent of prime defense contracts, with important officials in the Defense Department willing to accept serious delays, changing project deadlines, and adding charges well above original estimates, defense contractors are under little pressure to perform efficiently. This fact and the startling lack of competition for defense contracts have cost taxpayers billions of dollars in excess of original estimates. Also, unfortunately, this results in astounding inefficiency on the part of defense contractors. It results in a small "in" group of favored corporate officials more interested in promoting new business and acquiring new contracts than in successfully completing obligations of contracts entered into previously. As the distinguished senior Senator from Wisconsin (Mr. PROXMIRE), the vice chairman of the Joint Economic Committee, recently pointed out, there is no adequate machinery either in the executive or legislative branch of our Government to control the total amount spent or the way in which military funds are disbursed or not to adequately supervise the operations of this huge broadbased military-industrial complex.

Defense Department officials have for years given only lip service or ignored with impunity laws such as the Truth-in-Negotiating Act in connection with defense contracts. The slightest example of waste and inefficiency in welfare payments, or some maladministration in an antipoverty program, or the payment of high salaries to employees immediately becomes front page news. Maladministration should always be exposed. Unfortunately, it seems that, like Moses on Mount Horeb, one is treading on holy ground if properly denouncing the operations and power of the military-industrial complex.

Mr. President, it is ironic that, with a supply of weaponry that could destroy the world, we occasionally find ourselves in the position of Goliath facing David—a giant so laden down with armaments that we cannot respond to military incidents where only minor amounts of force or deterrence are required. This was clearly the case during the seizure of the *Pueblo*, when our nearest warplanes—some less than half an hour flying time—could not come to its defense or make an adequate demonstration over international waters because they were laden with nuclear weapons only and unable to exert the minor force of tactical weapons necessary to rescue the *Pueblo*, as the

changeover, it is said, would have consumed another hour.

Mr. President, it is obvious that defense spending has grown out of control. It is manifest that the power of the military-industrial complex to write its own ticket and dictate its own terms is one of the most serious and pervasive threats to our Republic and to the future economic well-being of the Nation. It is clear that our national security depends not only on awesome military power but also on the strength of our economic system and on the wholesomeness of our social and political life. A much greater effort than ever before must be made to bring the mad armaments race under control and to curb the power of the military-industrial complex.

I report, Mr. President, that in the last session of the Senate I voted against the Defense Department supplemental appropriation bill appropriating $71,800 million for fiscal 1969. This was the largest single Defense Department appropriation bill in the history of our Nation. It was larger by some billions of dollars than any single Defense Department appropriation bill at any time during World War II. I considered there was at least $8 billion utterly and uselessly wasted included among the items in that bill. Now we are told that the Defense Department appropriation for fiscal 1970 will call for spending of even more taxpayers' money.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for "Salaries and expenses," Agricultural Research Service, have been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT OF DEPARTMENT OF DEFENSE APPROPRIATIONS EXEMPTED BY THE PRESIDENT FROM CERTAIN PROVISIONS OF THEIR APPROPRIATION ACT

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, appropriations exempted by the President from certain provisions of the Department's Appropriation Act; to the Committee on Appropriations.

REPORT OF VALUE OF PROPERTY, SUPPLIES, AND COMMODITIES PROVIDED BY THE BERLIN MAGISTRAT

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistrat for the quarter ended December 31, 1969; to the Committee on Appropriations.

REPORT OF DEPARTMENT OF THE ARMY CONTRACTS FOR MILITARY CONSTRUCTION AWARDED WITHOUT FORMAL ADVERTISEMENT

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the Department on contracts for military construction awarded without formal advertisement for the period July 1 through December 31, 1968 (with an accompanying report); to the Committee on Armed Services.

PROPOSED BANK HOLDING COMPANY ACT OF 1969

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to broaden the definition of bank holding companies, and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

REPORT OF FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, transmitting, pursuant to law, the 34th Annual Report of the Commission for the fiscal year ended June 30, 1968 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE DISTRICT OF COLUMBIA CITY COUNCIL

A letter from the Chairman, City Council, Government of the District of Columbia, transmitting, pursuant to law, the First Annual Report of the District of Columbia City Council (with an accompanying report); to the Committee on the District of Columbia.

PROPOSED LEGISLATION RELATING TO INCOME TAX TREATMENT OF CERTAIN DISTRIBUTIONS PURSUANT TO THE BANK COMPANY HOLDING ACT OF 1969

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation relating to income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1969 (with an accompanying paper; to the Committee on Finance.

PROPOSED INCREASED PARTICIPATION BY THE UNITED STATES IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the International Development Association, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

PROPOSED PAYMENT OF TRAVEL EXPENSES IN CONNECTION WITH POSSIBLE EMPLOYMENT

A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize payment of travel expenses of applicants invited by an agency to visit it in connection with possible employment (with accompanying papers); to the Committee on Government Operations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on an audit of the Federal Crop Insurance Corporation, fiscal year 1968, Department of Agriculture dated March 20, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the donation of surplus mercury for educational and public health purposes, Department of Health, Education, and Welfare, dated March 21, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a review of the Agricultural Research Service Program for Screwworm Eradication, Department of Agriculture, dated March 20, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on a follow-up review of per diem payments to prospective crew members of ships under construction in New Orleans, La., Department of the Navy, dated March 24, 1969 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on policies and procedures for recommending emergency area designations by the Farmers Home Administration, Department of Agriculture, dated March 24, 1969 (with an accompanying report); to the Committee on Government Operations.

THIRD- AND SIXTH-PREFERENCE CLASSIFICATIONS FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third- and sixth-preference classifications for certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the PRESIDING OFFICER:

A concurrent resolution of the Legislature of the State of Indiana; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION

"A concurrent resolution memorializing the Congress of the United States to change the method of judicial review of convictions under State laws concerning obscenity and pornography

"Be it resolved by the Senate of the State of Indiana, the House of Representatives concurring:

"SECTION 1. The Congress of the United States is hereby memorialized to enact legislation placing the final review of all questions of fact and law involving convictions for violations of state law concerning obscenity and pornography by the Supreme Court of each of the several states.

"SEC. 2. Upon concurrence of the House of Representatives the Secretary of the Senate is hereby instructed to send a copy of this resolution to each member of the Indiana Congressional delegation and to the Principal Clerk of the United States Senate and the United States House of Representatives.

"CHARLES B. KLEINKORT,
"Senator."

CONCURRENT RESOLUTION OF LEGISLATURE OF SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, on March 15, 1970, the 300th anniversary of the founding of the first permanent settlement in the State of South Carolina will occur. This event will be celebrated throughout the year under the supervision of the South Carolina Tricentennial Commission. On March 6, 1969, the South Carolina Legislature passed a concurrent resolution calling for the Congress of the United States to provide for the striking of medals in commemorating with the 300th anniversary of the founding of the State of South Carolina.

I ask unanimous consent that this concurrent resolution be printed in the RECORD.

There being no objection, the concurrent resolution, which reads as follows, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD:

S. 178

A concurrent resolution memorializing Congress to take such action as may be necessary for the passage of H.R. 6269, "a bill to provide for the striking of medals in commemoration of the 300th anniversary of the founding of the State of South Carolina"

Whereas, the State of South Carolina, one of the original Thirteen Colonies, was founded on March 15, 1670, when the colonists who established its first permanent settlement landed near the present site of Charleston; and

Whereas, the event is one of great importance in the history of the United States, leading to the conquest not only of the territory of South Carolina but also that of the other States which lie to the south and to the west as far as the Mississippi River; and

Whereas, the three-hundredth anniversary of this event will occur in the year 1970 and will be celebrated throughout that year under the supervision of the South Carolina Tricentennial Commission in ways that will serve best to remind our people of their heritage; and

Whereas, Congressman Mendel Rivers of South Carolina introduced in the Ninety-First Congress H. 6269, "A Bill to Provide for the Striking of Medals in Commemoration of the Three-Hundredth Anniversary of the Founding of the State of South Carolina".

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States is hereby memorialized to take such action as may be necessary for the passage of H.R. 6269, "A Bill to Provide for the Striking of Medals in Commemoration of the Three-Hundredth Anniversary of the Founding of the State of South Carolina.", which was introduced by Congressman L. Mendel Rivers of South Carolina.

Be it further resolved that copies of this Resolution be forwarded to each United States Senator and Congressman from South Carolina.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 714. A bill to designate the Ventana Wilderness, Los Padres National Forest, in the State of California (Rept. No. 91-115).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

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

Charles H. Rogovin, of Massachusetts, to be Administrator of Law Enforcement Assistance.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. DIRKSEN:

S. 1630. A bill for the relief of Gurton Baird; to the Committee on the Judiciary.

By Mr. MURPHY (for himself, Mr. TOWER, Mr. FANNIN, Mr. HANSEN, and Mr. PACKWOOD):

S. 1631. A bill to amend and supplement the Federal reclamation laws relating to the furnishing of water service to excess lands; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURPHY when he introduced the above bill, which appear under a separate heading.)

By Mr. STEVENS (for himself, Mr. TOWER, and Mr. CANNON):

S. 1632. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. STEVENS when he introduced the above bill, which appear under a separate heading.)

By Mr. MATHIAS:

S. 1633. A bill for the relief of Stamatios G. Stamoulis; to the Committee on the Judiciary.

By Mr. BAKER (for himself, Mr. BELLMON, Mr. COOK, Mr. COOPER, Mr. COTTON, Mr. DOLE, Mr. DOMINICK, Mr. FANNIN, Mr. GOODELL, Mr. GRIFFIN, Mr. GURNEY, Mr. HANSEN, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MURPHY, Mr. PACKWOOD, Mr. PEARSON, Mr. PERCY, Mr. SCOTT, Mr. THURMOND, and Mr. TOWER):

S. 1634. A bill to provide for the sharing with the State and local governments of a portion of the tax revenues received by the United States; to the Committee on Finance.

(See the remarks of Mr. BAKER when he introduced the above bill, which appear under a separate heading.)

By Mr. INOUYE (for himself, Mr. ANDERSON, Mr. BIBLE, Mr. BURDICK, Mr. CANNON, Mr. COOPER, Mr. DOMINICK, Mr. EASTLAND, Mr. FONG, Mr. FULBRIGHT, Mr. GOODELL, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HOLLAND, Mr. HOLLINGS, Mr. JACKSON, Mr. JAVITS, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MILLER, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio):

S. 1635. A bill to exempt a member of the Armed Forces from service in a combat zone when such member is the sole surviving son of a family, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. INOUYE when he introduced the above bill, which appear under a separate heading.)

By Mr. RIBICOFF:

S. 1636. A bill to amend title III of the Trade Expansion Act of 1962 with respect to the criteria for establishing eligibility for tariff adjustment and other adjustment assistance, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. RIBICOFF when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON:

S. 1637. A bill to provide additional Federal assistance in connection with the construction, alteration, or improvement of air carrier and general purpose airports, airport terminals, and related facilities, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. MONDALE:

S. 1638. A bill to amend title II of the Social Security Act to extend from 22 to 26 the age limit for the receipt of child's insurance benefits thereunder by individuals attending school, and to permit reduced child's benefits to be paid to individuals attending school on a part-time basis; to the Committee on Finance.

S. 1639. A bill to amend the Railroad Retirement Act of 1937 to extend from 22 to 26 the age limit for the receipt of a child's insurance annuity thereunder by individuals attending school, and to permit a reduced child's insurance annuity to be paid to individuals attending school on a part-time basis; to the Committee on Labor and Public Welfare.

S. 1640. A bill for the relief of Mrs. Lily Prizant Blufstein and son, Manuel Blufstein; to the Committee on the Judiciary.

(See the remarks of Mr. MONDALE when he introduced the first two above-mentioned bills, which appear under a separate heading.)

By Mr. NELSON:

S. 1641. A bill for the relief of Shu Sum Fan, also known as Chun Fen;

S. 1642. A bill for the relief of Georgio A. Michalopoulos; and

S. 1643. A bill for the relief of Tin Tai Wong; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. THURMOND, and Mr. TOWER):

S. 1644. A bill to remove the restrictions on the grades of the director and assistant directors of the Marine Corps Band; to the Committee on Armed Services.

By Mr. LONG:

S. 1645. A bill for the relief of Andrew Chu Yang; and

S. 1646. A bill to create an additional judicial district in the State of Louisiana, and for other purposes; to the Committee on the Judiciary.

S. 1647. A bill to authorize the release of 100,000 short tons of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

S. 1648. A bill to extend for an additional temporary period the existing suspension of duties on certain classifications of yarn of silk;

S. 1649. A bill to allow income tax deductions to insurance companies for reserves required by State law for losses attributable to riots or other catastrophes, or attributable to insolvencies of other insurance companies; and

S. 1650. A bill to amend chapter 19 of title 38, United States Code, to provide double indemnity coverage under Servicemen's Group Life Insurance for members of the uniformed services assigned to duty in a combat zone; to the Committee on Finance.

(See the remarks of Mr. LONG when he introduced the above bills, which appear under separate headings.)

By Mr. HOLLINGS:

S. 1651. A bill to provide for the striking of medals in commemoration of the 300th anniversary of the founding of the State of South Carolina; to the Committee on Banking and Currency.

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

S. 1652. A bill to designate certain lands in the Monomoy National Wildlife Refuge, Barnstable County, Mass., as wilderness; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (for himself, Mr. HARTKE, and Mr. HART):

S. 1653. A bill to amend the Interstate Commerce Act, with respect to recovery of a reasonable attorney's fee in case of successful maintenance of an action for recovery of damages sustained in transportation of property; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HATFIELD:

S. 1654. A bill to provide for the disposition of judgment funds of the Confederated Tribes of the Umatilla Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. JORDAN of North Carolina:

S. 1655. A bill to change the limitation on the number of apprentices authorized to be employed by the Government Printing Office; to the Committee on Rules and Administration.

By Mr. JAVITS:

S. 1656. A bill for the relief of Dr. Miriam Mathe;

S. 1657. A bill for the relief of Sister Mary Sylvana (Maria Mattozi);

S. 1658. A bill for the relief of Miss Veronica D. Canos;

S. 1659. A bill for the relief of Miss Gloria B. Casumpang;

S. 1660. A bill for the relief of Miss Violeta F. Panis;

S. 1661. A bill for the relief of Eufrsina Garrido; and

S. 1662. A bill for the relief of Miss Hedva Haimson; to the Committee on the Judiciary.

S. 1663. A bill to strengthen and improve programs of assistance for adult education; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. BENNETT (for himself and Mr. SPARKMAN):

S. 1664. A bill to broaden the definition of bank holding companies, and for other purposes; to the Committee on Banking and Currency.

S. 1665. A bill relating to the income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1969; to the Committee on Finance.

(See the remarks of Mr. BENNETT when he introduced the above bills, which appear under separate headings.)

By Mr. GRIFFIN:

S. 1666. A bill for the relief of Edward Regan; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 1667. A bill for the relief of Kin Ping Fong;

S. 1668. A bill for the relief of Tsui Fong; and

S. 1669. A bill for the relief of Filippo Sebastiano Saglimbeni; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 1670. A bill for the relief of Loi Hing Man;

S. 1671. A bill for the relief of Hau Fan Ip;

S. 1672. A bill for the relief of Lat Huen Lam; and

S. 1673. A bill for the relief of Muk Hing Tsui; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S.J. Res. 83. Joint resolution to amend the joint resolution authorizing appropriations for the payment by the United States of its share of the expenses of the Pan American Institute of Geography and History; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. GRIFFIN (for himself, Mr. ALLOTT, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. COTTON, Mr. DODD, Mr. DOMINICK, Mr. EASTLAND, Mr. FONG, Mr. GURNEY, Mr. HANSEN, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. MANSFIELD, Mr. MILLER, Mr. MONTOYA, Mr. MUNDT, Mr. MURPHY, Mr. NELSON, Mr. PERCY, Mr. PROUTY, Mr. RANDOLPH, Mr. SCHWEIKER, Mr. THURMOND, and Mr. YOUNG of North Dakota):

S.J. Res. 84. Joint resolution to declare the policy of the United States with respect to its territorial sea; to the Committee on Foreign Relations.

(See the remarks of Mr. GRIFFIN when he introduced the above joint resolution, which appear under a separate heading.)

S. 1631—INTRODUCTION OF A BILL TO AMEND AND SUPPLEMENT THE FEDERAL RECLAMATION LAWS

Mr. MURPHY. Mr. President, today, in behalf of myself and my distinguished colleagues, Senator TOWER, Senator FANNIN, Senator HANSEN, and Senator PACKWOOD, I introduce a bill to correct the unrealistic, uneconomic, unjust, and obsolete provisions of reclamation law which require that beneficiaries of irrigation projects limit their land holdings to 160 acres per individual.

Basically, the bill provides the following modifications of the existing law:

First. An immediate increase in the number of acres in one ownership eligible for interest-free financing to at least 640 acres, with provision for further increase in the limitation every 10 years if economic or technological changes indicate that an increase is appropriate and consistent with the public interest.

Second. Immediate adoption of the "Engle formula" which would provide that a landowner with lands in excess of the 640-acre limitation could obtain water for his excess lands, but that in the determination of the price of this water to him, he could not be given the benefit of the interest-free provision of reclamation law.

These provisions are in line with recommendations of the task force on the acreage limitation problem which was appointed by Gov. Ronald Reagan to investigate this matter and which reported its findings to the Governor last year.

This task force was under the guidance of Mr. Earl Coke, director of the California Department of Agriculture, and Mr. William R. Gianelli, director of the California Department of Water Resources.

The members of the task force were Burnham Enersen, chairman; Richard D. Andrews, William H. Jennings, James F. Sorensen, and Breckinridge Thomas.

Mr. President, I submit the report of this task force as well as accompanying supporting material identified as "exhibit A," and I ask unanimous consent that this material be included in the RECORD at the conclusion of my remarks.

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

(See exhibit A.)

Mr. MURPHY. When the reclamation law was enacted in 1902, it followed the philosophy of the earlier homestead laws in seeking to encourage the settlement of land, and it applied this philosophy to the West by recognizing the fact that much of our western land was so arid that irrigation would have to be provided if settlers were to be attracted.

Still following the philosophy of the earlier land-settlement legislation, the Congress sought to direct its aid to so-called family-size farms and thus established a limit of 160 acres per person for land which could come under the provisions of the act.

In other words, the legislation of 1902, like many of the bills passed by Congress, was designed to reflect specific conditions at a particular time in our Nation's history.

Those conditions, Mr. President, have changed dramatically during the past 67 years.

The law has not kept pace.

True, it has received patchwork modifications over the years, but the fundamental provisions still stand today as relics of an era in which agricultural planning was based mainly on the concept of the dawn-to-dusk farmer and his one and only horse.

It is certainly understandable and, in fact, quite proper that there is in our land a great deal of deep nostalgia for these one-horse farms from which sprang so many of our family traditions, our agricultural knowledge, and our regional development.

But nostalgia must not blind us to reality.

On lands where old dobbin once plodded his straight and steady path, huge tractors now pull a variety of machinery which sometimes seems to be as intricate and sophisticated as the hardware we send to the moon.

Chemists continue to produce increasingly effective fertilizers.

Crop specialists announce new techniques almost daily.

The effect is that the so-called family farms and, in fact, all of our farms are faced with the stark fact that they simply cannot operate at top efficiency under programs and procedures designed for the turn of the century.

In other words, if a farmer is to make the best possible use of today's expensive new machinery and the advanced technology which is available to him, he must have greater flexibility and scope than is provided to him under the 160-acre limitation.

This fact is demonstrated clearly in the material contained in the task force report and "exhibit A," so I shall not dwell on it any longer at this time.

Instead, I want to point out briefly but most emphatically that there is another side to this coin, too, and it is the way in which the consumer is affected by those regulations which impede businesslike farming operations.

According to experts who have studied this matter, the cost per acre of operating a farm unit of 160 acres is usually much higher than for larger units.

The result, therefore, is that the costs to the small farmer are higher, and he, in turn, must pass along these greater costs to the consumer.

I want to stress this point as strongly as posible for it is very definitely to the advantage of the consumer, too, that remedial action be taken in this important matter.

In conclusion, Mr. President, I want to go on record as stating that although I am firmly committed to the goals of the bill I am introducing today, I am not wedded to the specific language.

Rather, I am presenting this proposed legislation as a starting point.

It is a good starting point since it was prepared by a group of knowledgeable, sincere individuals, but I know that other approaches and other formulae have been suggested, and it might well be that some of these other possibilities might be desirable to make this measure effective in areas confronted by special problems.

These things can be worked out.

The important consideration is that we start to work on the overall problem as soon as possible, and toward this end I shall ask that action on my bill be expedited.

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

The bill (S. 1631) to amend and supplement the Federal reclamation laws relating to the furnishing of water service to excess lands, introduced by Mr. MURPHY, for himself and other Senators, was received, read twice by its title, and

referred to the Committee on Interior and Insular Affairs.

EXHIBIT A

REPORT OF THE GOVERNOR'S TASK FORCE ON THE ACREAGE LIMITATION PROBLEM

(By Earl Coke, State of California director of department of agriculture; and William R. Gianelli, State of California director of department of water resources.)

JANUARY 4, 1968.

Re Acreage Limitation Task Force.

Hon. RONALD REAGAN,
Governor of California,
State Capitol, Sacramento, Calif.

DEAR GOVERNOR REAGAN: This Task Force was appointed by you in April, 1967 to formulate and submit to you recommendations for possible modification of the acreage limitation provisions of Federal Reclamation Law. The members of the Task Force are Richard D. Andrews of Fresno, Burnham Enersen of San Francisco, William H. Jennings of San Diego, James F. Sorensen of Visalia, and Breckinridge Thomas of Fresno.

After careful study and consideration of the matter, in the course of which we have enjoyed the excellent cooperation and assistance of Director William R. Gianelli and Chief Counsel P. A. Towner of the Department of Water Resources, Director Earl Coke and Economic Advisor Elmer W. Braun of the Department of Agriculture, and Professor of Agricultural Economics J. Herbert Snyder of the University of California at Davis, together with several of their colleagues, we have concluded our assignment and submit this report, which is unanimous.

THE BASIC LAW

The basic Reclamation Law was adopted by the Congress upon recommendation of President Theodore Roosevelt in 1902 for the primary purpose of encouraging and facilitating the settlement and development of the vast areas of public lands in the semi-arid regions of the Western States (Act of June 17, 1902, 32 Stat. 388, 43 U.S. Code 391). The act provided for the development of irrigation water supplies and for the sale of such water to the settlers on the land.

Taking a precedent from the homestead laws, the act provided that no person could make an entry upon public land within any reclamation project in excess of the limit, to be established by the Secretary, representing "* * * the acreage which, in the opinion of the Secretary, may be reasonably required for the support of a family" (§ 4). The Secretary was also required to establish the amount of the charges to be paid by the entrymen and private landowners in not exceeding ten annual installments so as to return to the reclamation fund the estimated cost of the construction of the project (§ 4). (The ten years have since been increased to forty years [43 U.S. Code 485b], plus a ten-year development period [43 U.S. Code 485f].) There was no provision for the payment of interest, and none is charged, upon the deferred installments. Section 5 of the act provided, among other things, that privately held land within a project area could not receive a right to use water for more than 160 acres in any one ownership.

Thus, the essence of the provisions of the 1902 Act with regard to private land was that the private landowner could obtain water for no more than 160 acres from the project, and in return he was obligated to pay his share of the construction costs in interest-free annual installments over a period of years. It has frequently been said that the interest-free financing of construction costs represented a governmental subsidy in favor of the private landowner. The 160-acre limitation provision confined the enjoyment of this subsidy to tracts of not more than 160 acres in a single ownership. The acreage limitation as applied to private lands was the *quid pro quo* for the financial assistance afforded by the freedom from an interest burden on the deferred installments of the repayment obligation.

Another provision, added several years later but itself now ancient, is that, regardless of whether it has ever received Federal project water in the past, land in excess of 160 acres per owner within a Reclamation project loses any right to receive project water when sold, before one-half of the construction charges against such land are fully paid, if the sale price of the land is not specifically approved by the Secretary of the Interior to ensure that it does not reflect any increase in value attributable to the construction of the project (Omnibus Adjustment Act, May 25, 1926, 44 Stat. 636, Sec. 46; 43 U.S. Code 423e). Thus, any buyer of "excess land," no matter how small an operator he himself may be, may lose the right to Federal project water if he pays a price which might include increments of value attributable to the availability of Federal project water. This is the so-called "anti-speculation" provision. It might also be called the "anti-sale" provision, for obviously it imposes a severe restraint upon the sale of such lands. No landowner wants to sell his land for less than he knows it is worth, and no buyer wants to pay full value if after he buys the land he cannot obtain the water necessary for its use. In consequence, sales are impeded. Furthermore, the provision is unfair because the owner of the excess land has usually paid assessments levied upon the land to pay for the Federal water supply, yet he is forbidden from recouping such costs as part of his sale price.

INTEREST-FREE FINANCING AS A FINANCIAL SUBSIDY

The privilege of paying construction costs of a project on a long-term installment basis without paying interest on the deferred installment basis without paying interest on the deferred installments does represent a substantial financial subsidy. The government borrows the money to build the project, and pays interest on the resulting debt, but the land-owner pays no interest on the deferred installments as he (through his local irrigation district) repays the government for his share of the cost of the project. If one assumes that the government's borrowing rate is 4% per year and that the installments extend over a forty-year period, then the landowner's obligation to reimburse the government for the irrigation portion of the construction cost in annual, interest-free installments over the forty-year period has a present value to the government of about 50% of the total obligation. In other words, the landowner's obligation to pay a certain sum of money in forty equal annual installments *without* interest has a present economic worth of about one-half of that of an obligation to pay the same annual installments over the same period *with* interest on the deferred installments compounded at 4% per year.

Landowners in a reclamation project who take advantage of these interest-free installment contracts do not reimburse the government for its interest expense, and to that extent the landowners are not repaying the government the full cost of the project. Thus, the landowners receive a substantial and direct financial subsidy. They are getting the water supply at less than the government's actual cost. As has been noted, this financial subsidy is generally regarded as the consideration received by the landowners in return for their submission to the acreage limitation provisions of the reclamation law.

Some defenders of the acreage limitation provisions contend that there are other "subsidies" to landowners in Federal Reclamation Projects, such as the use of Federal credit and the use of revenue from electrical power sales. These are not true subsidies, however, and such contentions are rejected as not supported by the facts. Interest-free financing is the only true subsidy which is recognizable as a purported justification for the acreage limitation provisions of Reclamation Law.

There is nothing unique about governmental subsidies in favor of private industries in this country. Such subsidies exist in great numbers and have enormous impact upon the economy of the United States. They are provided because a significant public benefit is believed to flow from such subsidization.

Probably the greatest and best-known of all government subsidies is the Post Office Department, the huge annual operating deficit of which is paid from the general funds of the United States. The federal taxpayers provide this subsidy for the benefit of all who use the mails—without limitation on the amount of their use. Another illustration is the public highway system, portions of which are subsidized to some extent by use of general tax revenues. Harbors, inland waterways, airways and navigational aids are all supplied to the operating industries without cost, because government policy dictates that these facilities should be supplied at government expense for the benefit of all who can use them. The Agriculture Department administers enormous subsidies for farmers to support the agricultural economy and provide the nation with needed supplies of food and fiber. Countless other subsidies exist, and, like the interest-free financing of reclamation projects costs, they redound directly to the benefit of private interest in the economic system.

But none of these other subsidies so far as we know is restricted in its application by imposing an artificial maximum limit upon the size of the business or enterprise which may qualify to receive the full subsidy, or upon the amount of the subsidized service which any one person may use or receive. In this respect, the interest-free financing of reclamation projects is absolutely unique. The benefits of this one subsidy are limited to an artificially established maximum area of irrigable lands in single ownerships.

In contrast, the postal subsidy is available without limit to, and is fully enjoyed by, the largest mail order house, the magazine with the largest circulation, and the corporation with the greatest volume of mail just as it is to a single individual or a small business operation. There is no limit on the size of a business which may enjoy the Post Office subsidy, or on the extent to which any one business enterprise may use the mails at uniform, subsidized rates. No one is told he may mail only 160 letters or magazines per day or per week because the service is subsidized, nor is he charged more for higher volume usage. Neither is any limitation placed upon the number of vehicles or the daily mileage of any user of the highways. No limitation is imposed upon the number of barges which a single barge company may operate on our subsidized inland waterways. There is no limitation upon the amount of acreage in single ownership which may receive the agricultural subsidies. (The "crop allotments" are based upon each landowner's history of crop production, without any maximum limit upon the area which may qualify.)

It is only in the case of the subsidy to farmers who want to buy an irrigation water supply from a federal reclamation project that the subsidy is limited. There is neither logic nor justice in any such discrimination. In view of the huge subsidies available to the largest as well as the smallest enterprise in all other fields of endeavor throughout the country, this discrimination against farmers who receive a subsidy under the reclamation laws is not only unprecedented but unjust.

The imposition of the acreage limitation upon the farmers in reclamation projects is contrary to the very spirit and purpose of the free enterprise system. Every businessman seeks to expand his operation to the fullest possible extent so as to increase his

profits and enlarge his economic values. A farmer in a reclamation project, however, is restrained by the workings of this artificial federal law from expanding his land ownership beyond the rigid limit imposed by Congress 65 years ago. What possible logic, justice or public benefit is there in holding a farmer down to a size of operation which will supply only a bare existence for himself and his family? Why should a farmer who makes a success of his business and who wants to expand his holdings be effectively forbidden from doing so by an antiquated federal law which prevents him from buying water for additional land?

Furthermore, the acreage limitation provisions are contrary to the public interest. They are economically stifling. They are contra-incentives. They impede growth. They perpetuate "subsistence farming" and inhibit efficient and progressive farm production. They increase the cost and decrease the quantity of agricultural output in reclamation projects. They aggravate agriculture's financial problems and tend to frustrate other governmental programs designed to strengthen the farm economy. They hamper this nation's efforts to meet the future food and fiber needs of a burgeoning world population.

THE ENGLE FORMULA

A logical alternative to the present absolute limitation would be to allow excess landowners to be relieved of the limitation by giving up the benefits of the subsidy represented by interest-free financing. Since the acreage limitation is a limitation upon the enjoyment of the governmental subsidy, there is no basis for applying the limitation to those who do not receive the subsidy.

Congress has already adopted the alternative of "no interest-free financing, no acreage limitation" in a reclamation law of general application and in at least three specific reclamation project authorization acts.

The general law embodying this principle is the Small Reclamation Projects Act of 1956 introduced and sponsored by the Honorable Clair Engle, then a member of the House of Representatives and later a United States Senator from California (Act of August 6, 1956, 70 Stat. 1044; 43 U.S. Code 422a–422k). This statute provides for the financing of small reclamation projects under the general reclamation laws but, instead of requiring all lands in excess of 160 acres in a single ownership to be sold (or subjected to "recordable contracts" requiring ultimate sale) in order to receive project water, this statute specifies that interest shall be paid to the United States, at the then current government bond interest rates, upon that portion of the repayment obligation which is attributable to furnishing irrigation benefits to lands within the project in private ownerships of more than 160 acres per person (43 U.S. Code 422e(c)).

This provision for the payment of interest in lieu of the acreage limitation has become known as the "Engle Formula." It is a very simple provision whereby the benefit of the subsidy represented by interest-free financing is limited to 160 acres per owner, and is denied to acreage in excess of 160 acres per owner. In addition to paying his share of the construction costs, each owner of more than 160 acres is required to reimburse the government in full for the interest cost attributable to water service for his excess acreage. In return he is allowed to keep his excess lands and purchase project water for the irrigation thereof.

This same "Engle Formula" has been incorporated in at least three specific acts authorizing reclamation projects:

1. The Washoe Project in Nevada and California authorized August 1, 1956 (70 Stat. 775).

2. Mercedes Division, Lower Rio Grande Rehabilitation Project, Texas, authorized April 7, 1958 (72 Stat. 82).

3. La Feria Division, Lower Rio Grande Rehabilitation Project, Texas, authorized September 22, 1959 (73 Stat. 641).

Thus, in a general law and in at least three special acts the Congress has recognized and applied the principle that the acreage limitation is the *quid pro quo* for the financial subsidy represented by interest-free installment financing, and has adopted the Engle Formula whereby excess landowners who forego the financial subsidy by paying interest upon their share of the deferred repayment obligations are not subject to the acreage limitation provisions.

The Engle Formula can be viewed as a corollary to the "pay-out principle," under which the 160-acre limitation, although initially applicable, ends when the construction charges payable under a contract with the United States are fully satisfied. This "pay-out principle" was recognized and applied by the Bureau of Reclamation for more than 50 years. (See "Excess Land Provisions of the Federal Reclamation Laws and the Payment of Charges," Department of the Interior, May, 1956.) It has been rejected by the Bureau only in recent years, and is the subject of present litigation between California water user organizations and the United States in *United States* v. *Tulare Lake Canal Company and Tulare Lake Basin Water Storage District*, No. 2483, Federal District Court for the Eastern District of California.

These Congressional and administrative precedents, as well as the very clear dictates of logic, compel the conclusion that the reclamation law should be amended so as to permit those excess landowners who wish to do so to relieve themselves of the burden of the acreage limitation by paying interest upon the portion of the deferred installments which is attributable to their excess lands.

There are some Reclamation contracts, called "9(e) Contracts," which do not have fixed capital sums to be paid but instead are "utility-type" contracts calling for payment of water service charges on a per-acre-foot basis. Since they contain no principal sum upon which interest can be computed, they are not directly responsive to the Engle Formula. By a simple analogy, however, the principle of the Engle Formula can be applied to such contracts: As shown above, the value of the interest-free financing on a forty-year term is roughly equal to about 50% of the total obligation; in other words, those who pay interest pay approximately twice the total amount paid by those who do not pay interest. Under "utility-type" contracts, therefore, the results of the Engle Formula can be accomplished by doubling the water charges for lands in excess of the established limit per owner for those who wish to forgo the subsidy and thereby avoid application of the acreage limitation provisions. Thus, for Class I water service under some current Central Valley Project Section 9(e) contracts, the charge for excess lands freed from acreage limitations would be $7.00 per acre-foot instead of $3.50, and for Class II service it would be $3.00 instead of $1.50.

ECONOMIC FACTORS

Although the early projects under the Reclamation Act embraced predominantly public lands, the later projects have included more and more private lands. In recent years relatively little public land has been included in reclamation projects. Most of the problems growing out of the acreage limitation provisions in California and elsewhere have arisen by reason of the fact that large areas of private lands, already fully developed for irrigated agriculture and requiring only a supplemental water supply, have been affected by federal reclamation projects in recent years.

Because of its latter-day impact upon private land holdings, some supporters of acreage limitation have sought to justify it as a "land reform" measure. Certainly that was not any part of the purpose of the original limitation provision of the 1902 Act, for that statute was aimed primarily at developing and settling the public lands. If "land reform" has been a purpose of any of the subsequent additions to the body of acreage limitation law, that purpose has not been expressed by the Congress. "Land reform" as such was never a Congressional purpose or objective in enacting the acreage limitation provisions of Reclamation Law. It is only an afterthought on the part of those who seek some justification for perpetuating these anachronistic provisions.

If and to the extent that "land reform" may be a proper subject of national policy (a question as to which we express no opinion), it should be faced squarely and dealt with forthrightly by the Congress in laws of general application on a nation-wide basis. It should not be treated by implication or inference in laws dealing primarily with other matters. And certainly a subject of such national importance must not be read into laws about water supplies in a fragmentary part of only about one-third of our 50 States.

We reject, therefore, any suggestion that the acreage limitation provisions are a part of a national "land reform" policy and that they should be retained as such.

The imposition of the artificial acreage limitation upon fully developed, privately owned, already irrigated farm lands has created a welter of problems, both economic and political. These problems have been greatly intensified by the dramatic change in the nature of the farming industry during the 65 years since the reclamation law was first enacted. During this period, the horse has virtually disappeared as a source of power for the operation of agricultural implements, and in place of the horse, vast numbers of costly and complicated machines have been developed and are now a necessity for the planting, cultivation and harvesting of agricultural products. These machines require large capital investments which cannot be justified unless the operating units contain a sufficient acreage to employ the machines efficiently.

As a result of these and other factors, the *average* size of farms in the United States today is about two and one-half times what it was when the 1902 Act was passed, and the *optimum* size is greater than the average. We believe the full subsidy should be at least available to such minimum size of farm as is large enough for operation at maximum efficiency. What is that size?

At our request, the California Department of Agriculture has caused a paper to be prepared on the economic impact of the 160-acre limitation upon modern agriculture. It is entitled "Economic Brief on 160-Acre Limitation for Irrigation Water—Modification Needed." A copy is attached hereto. It was prepared by Mr. Elmer W. Braun, Economic Advisor of the California Department of Agriculture, and Professor J. Herbert Snyder, Professor of Agricultural Economics in the University of California at Davis, with the collaboration of several of their colleagues. The paper is an excellent summary of the economic factors involved in this problem with well-documented references to several specific areas in California and in other states, as well as in Mexico. The paper concludes, among other things, that the fixed 160-acre limitation "is grossly outdated" and that the public interest of the United States "would be better served" if the limitation were eliminated. If elimination proves not to be feasible, the paper concludes that the provisions of the law should be updated and adjusted to present-day economics with a practicable degree of flexibility to fit future conomic changs.

The Economic Brief points out that by reason of the need for capital investment in costly machinery and by reason of the in-

creased costs of farm labor, the minimum size of efficient operating units has greatly increased throughout the agricultural economy. Using many specific illustrations, the brief shows that the cost per acre of operating a farm unit of 160 acres is much higher than for larger units, with the result that the 160-acre unit cannot compete with the larger units having lower operating costs per acre.

In Yolo County, for example, a farm of 600 to 700 acres is required for maximum efficiency according to a 1960 study by the University of California. In Kern County, according to a 1963 study by the University, the operation of at least 640 acres as a farm unit is required to obtain the maximum net revenue per acre. On the east side of the San Joaquin Valley, a 1963 University study shows that 640 acres was the minimum unit which could be operated efficiently, and that additional economies could be realized by operating not less than 1280 acres as a unit. For orchard crops, such as peaches, a 1963 University of California study indicated that a 300-acre unit at medium yields and medium prices would barely "break even," and, obviously, a substantially larger unit would be required in order to realize an operating profit.

The pattern is similar in other states. A 1965 study published by Texas A & M University showed that in the Texas high plains the maximum efficiency for a one-man operation required at least 440 acres. In the wheat-pea area in Eastern Washington and North Central Idaho, a 1967 study published by Washington State University indicated that the optimum was 1600 acres per unit. A 1966 study published by Iowa State University showed that in the highly fertile area of the State of Iowa, the cost per acre for a 160-acre farm was about 62% *higher* than the cost per acre of a similar operation for a farm of 560 acres, thus showing that the operator of the smaller tracts could not possibly compete in the same markets with the operators of the larger tracts. A 1966 study of Purdue University showed a similar pattern in West Central Indiana where the maximum efficiency and lower operating cost could not be obtained on less than the 640-acre units.

The need for expansion of the size of farm units in order to achieve efficiency and maintain a competitive position in the agricultural economy is emphatically stated in the recent (July, 1967) "Report of the National Advisory Commission on Food and Fiber" at page 240:

"These changes (in capital requirements and farming technology) not only make it *possible* for the individual farmer to increase his volume of operations—they make it *necessary* for him to do so. *He must expand his investment and then spread costs over more units of product to remain competitive.*" (Emphasis supplied.)

Thus, it is all too obvious that the 160-acre limitation is not only unrealistic, uneconomic and obsolete but also grossly unfair to the farmer who must comply with it. The limit forces the farmer to operate a very inefficient farm with disproportionately high costs per acre. He is compelled to sell his crops in a market where he competes, or tries to compete, with producers having much lower costs per acre resulting from the economies of their large-scale operations. In truth, the 160-acre farmer is in many cases prevented by the limitation from making any profit at all, because his costs exceed his gross revenue. Many farm families are forced to seek supplemental, non-farm employment. Since the reclamation subsidy is supposed to benefit the farmer, and enable him to make enough profit to support a family, it defeats its own purpose by freezing the farmer into a rigidly limited unit from which he cannot hope to realize a profit. The "family-size farm" of 160 acres is a snare and a delusion.

It is appropriate to point out here the curious anachronism of this repressive and regressive 160-acre limitation remaining in the Reclamation Laws at a time when we are faced with a worldwide population explosion and dire predictions of worldwide famine. Instead of fostering more efficient farm sizes and greater production, the Reclamation Laws seek to preserve inefficient farm units, and even to break up large and efficient farms. Slavish adherence to the symbolic 160-acre farm limit adopted in vastly different circumstances 65 years ago is so out of keeping with the government's general awareness of changing times and changing public needs that we believe the Congress should, and will, respond to a demand for a "new look" at the acreage limitation provisions. It is to be hoped that the Congress may be convinced, as we are, that these 65-year-old rules are not only obsolete and outmoded but actually unwise and unsound in the present-day agricultural economy.

The Economic Brief also quotes the following statistics taken from the publications of the Bureau of Census as to the average size of all farms throughout the United States:

1910	138.5
1964	351.5

This nationwide average of the size of operating farms is one possible measure of the effect of changing economic conditions upon the agricultural industry. All combinations of economic factors are automatically brought to bear upon the determination of average farm sizes. The fact that the average size throughout the country has increased from 138.5 acres in 1910 to over two and one-half times that area, or 351.5 acres, in 1964 shows very clearly that during the period since the enactment of the 160-acre limitation in 1902, the economics of the agricultural industry have caused farmers to acquire larger and larger holdings and consolidate smaller holdings. This plainly shows the impact of these changing economic conditions upon farming methods and practices.

This dramatic increase in the average size of farms on a nationwide scale clearly demonstrates the long overdue need for an adjustment of the 160-acre limit. If 160 acres was a reasonable limit for the "support of a family" in 1902, when the countrywide average was somewhat less than that figure, then the present limit ought to be increased to a size which is at least proportionate to the recorded increase in the average farm size throughout the country since 1902. The average size has increased to over 250 percent of its 1902 level. If a porportionate increase should be applied to the 160-acre maximum size for a subsidized reclamation project farm, then the 160-acre limit would be increased to at least two and one-half times that area, **i.e., to 400 acres.**

The data contained in the attached Economic Brief demonstrate, however, that even 400 acres is not an adequate size to obtain efficient and competitive farm operations. In most areas at least 640 acres is needed, and more is required in some localities. We believe the public interest requires that the limit (if there is to be one) upon the number of acres in one ownership which can receive the interest-free financing should be related to efficiency and economy of farm operations and not to some symbolic and arbitrary number of acres. This principle leads to the conclusion that the maximum subsidized area should be at least 640 acres per owner, and that there should be provision for administrative increase in the maximum whenever future changes in economics or technology indicate that an increase is appropriate.

It is our opinion, therefore, that if the acreage limitation provisions of reclamation law are to be retained at all, then they should be amended so as to change the 160-acre figure to a number of acres which is consistent with modern requirements for efficient farm operations. Provision should also be made for reappraisal of that figure at least every ten years and for its upward adjustment to keep in step with future changes in agricultural technology and economics.

A change from 160 to 640 acres per owner would go far in correcting the inequities which the rigid 160-acre limitation has created as farm sizes have increased and capital requirements and labor costs have risen to the point where smaller farm units are being forced out of business and larger units are required in order to conduct profitable farming operations.

CONCLUSIONS AND RECOMMENDATIONS

It is the considered and unanimous conviction of all of the members of your Task Force that the acreage limitation provisions of Federal Reclamation Law are antiquated and obsolete and very much in need of modernization. A majority of the members also believe these provisions are wrong in principle, and should be repealed.

Upon the assumption, however, that outright repeal of these provisions is not likely to be accomplished at an early date, we unanimously recommend the following modifications which we think will go far toward solving the most serious problems without actually repealing the provisions in their entirety:

1. An immediate increase in the number of acres in one ownership eligible for interest-free financing to at least 640 acres, with provision for a further increase in the limitation every ten years if economic or technological changes indicate that an increase is appropriate and consistent with the public interest.

2. Immediate adoption of the Engle Formula providing that the acreage limitation shall not apply in any existing or future project to those lands in single ownership which are in excess of the limitation but on behalf of which interest on the allocated share of all deferred installments of construction costs is paid in full.

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BRECKINRIDGE THOMAS.
BURNHAM ENERSEN,
Chairman.

ECONOMIC BRIEF ON 160-ACRE LIMITATION FOR IRRIGATION WATER: MODIFICATION NEEDED

(Prepared by Elmer W. Braun, economic adviser, California Department of Agriculture, and J. Herbert Snyder, professor of agricultural economics, University of California, Davis, with the collaboration of professional colleagues named on concluding page)

ECONOMIC PRINCIPLES AND CONSIDERATIONS

Through its Reclamation Service, the United States Department of the Interior limits the sale or delivery of water, provided by means of its facilities for irrigation purposes, to farming operations not in excess of 160 acres under single ownership. Except in special cases, such limitations have applied since 1902, under federal legislation and regulations issued pursuant thereto.

In enacting the Reclamation Law of 1902, the Congress drew the 160-acre standard for it from an earlier law relating to homesteading. Homesteading had been authorized by the Homestead Act of 1862 to encourage family settlement of public lands then still available.

Congress adopted the Homestead Act primarily for land receiving cultural moisture from natural precipitation. The Reclamation Act was adopted to encourage family settlement of public lands in the arid West, through government financed irrigation projects. The provisions of the Reclamation Act were designed to provide financial inducements in the form of low-cost water rates to small units of land not in excess of 160

acres, and to prevent undue individual or speculative gains.

Congress no doubt intended to be consistent in the basic objectives of the Homestead Act and the Reclamation Act. The implementation and economic impact through time, however, is quite different for the two acts. The impact of the 160-acre limitation under the Homestead Act was ended when ownership procedures under it were completed, and ownership in fee simple granted. From that time forward the owner was free to buy or sell land in the open market as he wished. Farm sizes, therefore, even in heavily homesteaded areas, are the result of normal economic forces.

The impact of the 160-acre limitation under the Reclamation Act is regulatory rigidity. It is not dynamic. It is not consistent with changed economic conditions through time. For land otherwise arid a limitation established by Congress, and expressed in area terms for the availability and application of water, is a fixed standard to be changed only by Congress, or by administrative or judicial interpretation. None of these have occurred in a manner sufficiently practical to be acceptable. The result is that farmers are coping with a regulation that is long outdated. The regulation is inconsistent and impractical in the economic environment in which it regulates.

In an economy based upon profit and loss and freedom of enterprise, changes in unit size to meet changes in economic conditions must be permissible. Only if farm operators, seeking to maximize net income returns, have freedom to make such shifts, can they adjust to changes in economic conditions. If such changes are restricted arbitrarily by law or by regulation, inefficiencies and economic losses result. Some inefficiencies and losses may be clearly apparent; others may be hidden. Farmers who are restricted as to acreage are prevented from adopting optimum technology in machinery and equipment. Modern equipment and management capabilities could be more efficiently combined with larger land units. To be prevented from doing so means that land, labor, management and captial are not being used in the most efficient combination. In an economic sense resources are being wasted, and the general welfare is impaired.

Modern living standards call for a higher net income than in the past. An adequate net income is conditioned upon a favorable relationship between the gross income from products sold and the production costs of such products. That this relationship should be a favorable one is a commonly accepted concept. It cannot be achieved if gross returns are artificially limited because of the size of the producing unit. Nor can the relationship be favorable if unit costs are high. Unit costs tend to be high on the small producing units because of the uneconomic combination of producing inputs, as compared to the more efficient combination of producing inputs on a larger producing unit.

The 160-acre limitation therefore discriminates against those farmers subject to it. The gross income of producers limited by the regulation is low, as compared with the gross income of producers not so limited. The unit costs are higher for the producers so regulated than the unit costs for producers not subject to the regulation. Net income is impaired by a relatively low gross and a relatively high cost.

The impact of the regulation in a broad sense is a lesser gross income, a higher cost of production, a lesser total production of food and fiber products, and higher consumer prices than would otherwise be the case.

Economic principles centering around economies of scale apply not only in the field of agricultural production; they relate to many other kinds of economic activity. It is general knowledge that operating structures used in manufacturing have undergone a wide range of changes as to size since the beginning of the Industrial Revolution. The same is true of transportation, warehousing and distribution. Could one even imagine what our transportation system would be like, if trucks were limited to a single size utilized in 1910 or 1920? Could the regulation of the size of trucks in one segment of the trucking industry be rationalized or justified? To do so would be unthinkable.

The 160-acre limitation upon producers served by federal irrigation projects must be modified or eliminated, if land use is to be maintained in accordance with changes in economic conditions. Restrictions on producers now subject to limitation need to be relaxed, so that they may compete effectively with producers not so limited.

It is often contended that making public financed water available to farm units larger than 160 acres would be an undue "public subsidy" in the form of "unearned increment". This point, used in support of existing limitations, tends to be overstated. In making the contention the full difference between raw land value and developed land value is attributed to the availability of water. In actual practice the water input is only one of the inputs. There are other inputs such as leveling, ditching, piping, buildings, and often long-term plantings, such as alfalfa or tree crops. Also, taxes and interest payments may have been made for extended periods before water became available.

The inputs of capital, management and labor are just as important in the total development as is the availability of water. The availability of water would have little value in the absence of other inputs. Water is an essential input item, but by no means the only one that contributes to value. To be realistic, value and returns should be attributed to such inputs, as well as to water. With such proper allocation the value increment from water as a public subsidy would be much less than is often asserted in an overstated sense. Furthermore, the government water facilities are more in the nature of a community development investment than a subsidy to individuals.

By economic considerations the 160-acre limitation should be set aside. If elimination of the limitation is not feasible for political reasons, then the fixed standard should be updated and provision made for sufficient flexibility to meet changing economic conditions through time.

Findings are here presented focusing attention on the economics of income and production costs in relation to farm size. The findings are presented in support of the need for a substantial change in or elimination of the 160-acre limitation. Considerations presented proceed from those relating to California to the broader regional, national, and international considerations.

CALIFORNIA

Farm management considerations are especially important to agricultural producers in California. California producers operate in a high-cost environment with respect to land values, farm worker wage rates, custom built equipment, production supplies and taxes. Furthermore, California producers must compete not only in local markets, but in distant domestic and foreign markets. High transportation expenses, therefore, also become a part of the high-cost environment. Under conditions of high costs and relatively low market prices, efficiency in producing operations is of paramount importance.

The Department of Agricultural Economics of the University of California has made a number of studies relating to the economics of farm size. References to these studies are made with respect to points pertinent to the 160-acre limitation.

1. Imperial Valley

A report entitled "Cost-Size Relationships for Cash-Crop Farms in Imperial Valley, California" is a comprehensive study of cost-size relationships in the production of vegetable and field crops on farms located in the Imperial Valley.

A pertinent finding of the study is: "Substantial cost advantages are realized by field crop operations up to about 1,500–2,000 acres, but thereafter cost economies are very slight." For various cultural reasons vegetable crop farms also grow field crops. The typical practice in the Imperial Valley, therefore, is a multiple cropping pattern. Under these conditions an operating unit limited to 160 acres, or even to 320 acres, would be an uneconomic unit. Application of such limitations in the Imperial Valley would grossly modify the cropping patterns, or eliminate entirely the cropping patterns natural for the area.

Multiple cropping patterns are necessary to control plant pests and diseases, to achieve soil conditioning, and for other farm management reasons. To attain appropriate operating efficiencies a multiple cropping pattern requires a farm operating unit large enough to properly accommodate the several crops in the producing pattern.

The study here referred to is based upon conditions of 1959. There have been further advances in technology since that time. Economies of size would therefore call for a larger operating unit now than in 1959.

Reference: "Cost-Size Relationships for Cash-Crop Farms in Imperial Valley, California", by Harold O. Carter and Gerald W. Dean, University of California, Division of Agricultural Sciences, Giannini Foundation Research Report No. 253, May, 1962.

2. Yolo County

As already indicated, this study was made in Yolo County during 1960. It is entitled "Cost-Size Relationships for Cash-Crop Farms in Yolo County, California".

Yolo County is in the southern area of the Sacramento Valley.

Among the pertinent conclusions of this study is the following: "Machinery costs per acre decline sharply up to about 600–700 acres, but only gradually (about $1.00 per acre for each additional 100 acres operated) thereafter".

As already indicated, this study was made in 1960. A current study would indicate a larger acreage for efficient operations, rather than smaller.

The limitation of 160 acres would not be practical for agricultural operations in the area, by a wide margin.

Reference: "Cost-Size Relationships for Cash-Crop Farms in Yolo County, California", by Gerald W. Dean and Harold O. Carter, University of California, Giannini Foundation of Agricultural Economics, Mimeographed Report No. 238, December, 1960.

3. Kern County

A third study bearing specifically on the matter of acreage limitations is entitled "Economies Associated with Size, Kern County Cash-Crop Farms." Results from the Kern County study are consistent with the earlier study made in Yolo County.

A significant conclusion from this study is: "The effect of the variable product mix, combined with technical economies, is that the largest *net revenue per acre* is obtained by a 640-acre farm unit. Net revenue increases as farm size increases up to 640 acres, as the effect of the reduction in cost from technical economies is greater than the reduction in total revenue resulting from the variable product mix. For farms larger than 640 acres the effect of the product mix is greater than the effect of technical economies on net revenue".

The study carries a further significant statement: "The analysis indicates that, under the present state of technology available and used by farm operators in Kern County, the technical economies are nearly exhausted by a farm unit of 1,000 acres. However, in the future it is quite conceivable that substantial technical economies will exist for farms larger than 1,000 acres".

A limitation of 160 acres is not practical or realistic for farm operating units in the Kern County area.

Reference: "Economies Associated with Edwin Faris and David L. Armstrong, University of California. Giannini Foundation Research Report No. 269, December, 1963.

4. San Joaquin Valley, east side

Another study dealing with ". . . . . On-Farm Irrigation Water Availability and Cost . . . . ." applies to farmers located in what is generally known as the San Joaquin Valley Eastside.

Data were compiled on the characteristics of farms in the area ranging from 80 to 1,280 acres. The characteristics were then reflected in five farm models for economic analysis.

The general conclusions of this study are ". . . farmers can improve efficiency, reduce average total cost per unit and increase profits . . ." by operating production units of sufficiently large size. Specifically, unit costs consistently declined under the long-run cost curve, as size increased from 80 to 1,280 acres. Farm profits per unit of production also increased with farm size due to increasing volume per farm, as well as a widening spread between prices and costs of production. The rate of decrease in unit cost and the rate of increase of profit were most significant as farm size increased to 640 acres, but continued benefits were possible through the 1,280 acres size of operation.

Another conclusion of this study supports the importance of the economies of size as they relate to the ability of the farm to pay for irrigation water. The larger size farms could break even, even though the price per acre foot of water was nearly twice what the smaller operations needed in order to break even. The ability of the larger farms to pay higher prices for irrigation water relates to their lower fixed costs per unit.

This study of the Eastside Area of the San Joaquin Valley identifies and confirms for the San Joaquin Valley the same basic relationships between farm size increases in acres and reducing costs per unit as are found in the Sacramento and Imperial Valleys. An additional study of other sub-areas in the San Joaquin Valley demonstrates that farm organization and resource uses are similar. It may be assumed that the same size-cost relationships also hold.

Reference: "Economics of On-Farm Irrigation Water Availability and Costs, and Related Farm Adjustments," by Trimble R. Hedges and Charles V. Moore, University of California, Division of Agricultural Sciences, Giannini Foundation Research Report No. 263, June, 1963.

Related and supporting studies on the relationship of costs, returns and farm size by the same writers are Giannini Foundation Research Report No. 257, September, 1962, and Report No. 286, December, 1965.

5. Orchard crops

If there is any type of intensive crop production that might be profitably carried out on 160-acre units, it would conceivably or theoretically be fruit crops. From the standpoint of economics and marketing, fruit production patterns of land utilization should not be imposed by an arbitrary regulation such as the 160-acre limitation. Production patterns and land utilization should come about by normal competitive economic forces. The arbitrary approach results in an improper combination of economic resources, leading to economic waste.

In the light of modern technology, and incomes, even intensive orchard production needs producing units larger than 160 acres. At medium yields and medium prices, peach producers would break even or exchange dollars with a 300-acre operating unit. It would require better than medium prices to be assured of a management or profit income on 300 acres, with medium yields per acre.

Farm Management Specialists of the Agricultural Extension Service of the University of California are of the view that 160 acres is too small a unit for other orchard crops, as well as for peaches. Present day income needs require a larger acreage.

The conclusion, therefore, is that even for orchard farming a limitation of 160 acres is too restrictive.

Reference: "Economies of Scale in California Cling Peach Production," by G. W. Dean and H. O. Carter, California Agricultural Experiment Station, Bulletin 793, University of California, February, 1963.

FARM SIZE AND INCOME IN OTHER STATES

Studies made in other states relating to the size of farms and farm income reveal results similar to the findings made in California.

Texas

Texas A & M University, in cooperation with the United States Department of Agriculture, made a detailed study of the relationship of the size of irrigated cotton farms to farm costs and income in the Texas High Plains area, located in Western Texas.

The primary objective of the study was to examine the efficiency and profitability of various sizes of cotton farms in the Texas High Plains. A secondary objective included determination of the economies achievable within the limits of a family farm business.

It was found that a one-man farm could operate efficiently; however, to attain highest efficiency it was necessary for the one man to operate 440 acres with effective equipment. With respect to other farm sizes the findings were: "Recent trends indicate that the cotton farms in the Texas High Plains are extending their acreage beyond the least-cost point at 440 acres of farmland. In moving to larger sizes, farms do not achieve lower average costs or greater efficiency. But they do achieve greater profit."

A limitation of 160 acres would be too restrictive for irrigated cotton farms in Western Texas.

Reference: "Economies of Size on Irrigated Cotton Farms of the Texas High Plains", by J. P. Madden and R. Davis, Texas A & M University Bulletin 1037, June, 1965.

Washington-Idaho (wheat-pea area)

An area in eastern Washington known as the Palouse Area, and extending into north-central Idaho, is especially adapted to the production of wheat and peas, primarily wheat and dry peas. Other crops also commonly grown in the area are barley and alfalfa.

Washington State University, in collaboration with the United States Department of Agriculture, made a detailed study concerning the relationships of costs, incomes and farm sizes for this area. The study drew data from farms participating in federal price support programs, and from farms not participating in such programs. A number of farm size classifications were included in each group.

Findings of the study especially pertinent to this brief are:

1. The optimum size of wheat-pea farms was found to be 1,600 acres. The 1,600 acre size was found to be optimum for farms not participating in the federal price support programs, as well as for farms participating therein.

2. In the area under study, a representative farm had increased in size from 444 acres in 1945 to 605 acres in 1964.

3. Significant ratios for different farm sizes are:

Size (acres)	Participating		Nonparticipating	
	Profit per acre	Cost per gross dollar	Profit per acre	Cost per gross dollar
600	$2.35	$0.964		
800	6.68	.899	$2.83	$0.956
1,200	10.08	.847	6.28	.904
1,600	12.39	.812	9.36	.859
1,900	11.25	.831	7.18	.892

It is to be noted that the profit per acre for farms participating in federal commodity programs is higher than for farms not participating. The lowest cost per dollar of gross and the highest profit per acre occurs at the 1,600-acre size for both participating and non-participating farms. It is clear that 600-acre farms and smaller farms have difficulty competing with 1,600-acre farms in either case.

While the study does not specifically show it, it is obvious that a farm size of 160 acres would not be an economically feasible unit in the wheat-pea area of Washington-Idaho.

Reference: "Economics of Farm Size in the Washington-Idaho Wheat-Pea Area", by E. L. Michalson, Washington State University, Technical Bulletin 52, May, 1967.

Iowa

Some of the most fertile agricultural areas of the United States are located in the State of Iowa. Even in Iowa farms as small as 160 acres cannot compete successfully with larger farms. A study issued in Iowa by the Agricultural Extension Service of the Iowa State University reflects the following with respect to production costs in relation to size of farms:

Total cost per acre, including operator and family labor by size of farm:

Acres:	Cost per acre
160	$90.99
240	79.11
320	67.23
440	63.07
560	55.59

Costs per acre decrease sharply from a 160-acre size to a 320-acre size, and less sharply for larger sizes.

A 160-acre farm would have difficulty remaining competitive under current operating conditions.

Reference: "1965 Costs and Returns on Iowa Farms", FM1517, Iowa State University, Cooperative Extension Service, November, 1966.

Indiana

In a study of the factors affecting cost of production on farms in West Central Indiana, Purdue University economists noted the importance of farm size in reducing the cost of operation, and in providing profit to management. Significant findings are:

1. "With average-level management, the average cost per $100 crop production decreased from $109.22 on 80 acres to $82.77 on 240 acres. As size increased to 640 acres the average cost decreased slowly to $72.22."

2. "The differences in costs of production associated with increasing farm size are important, but even more important is the combination of lower costs and greater volume. For the average manager, as size increased from 160 to 320 to 640 acres, returns to management after all costs increased, respectively, from $1,379 to $5,655 to $15,579."

The importance of size in this study is significant, when one compares the above returns to the estimates of what would be an adequate income for a farm family in that region. Purdue economists believe that a $7,000 to $9,000 management income would be required. To attain a level of income in these amounts would require an operation in excess of 400 acres.

Reference: "Factors Affecting Cost of Crop Production in West Central Indiana", R. Hubele, J. E. Kadler, P. Robbins, and R. Kemper, Purdue University Research Bulletin No. 822, December, 1966.

AVERAGE SIZE OF FARMS—A SIMPLE AND PRACTICAL GAUGE

A further measure to gauge the need for a modification of the 160-acre limitation is the average size of farms in the United States, as reported by the Bureau of Census of the United States Department of Commerce.

Census data on farm size changes over the years reveal that farms of 160 acres varied much more widely from the average farm size

in the United States in 1964 than in earlier years. In fact, they indicate that if average size is a reasonable indication of the size that farms should be in order to function as economic units, then the 160-acre size has fallen farther and farther behind over the years.

It is recognized that the average size of farms is not a precise measure for gauging a water limitation statute or regulation. It is a general guideline, and does reflect direction and scope of change.

The average number of acres per farm in the United States for relevant census periods are:

1910	138.5
1920	148.5
1959	302.8
1964	351.5

It is to be noted that in 1910 the average number of acres per farm amounted to less than 160. Under conditions then prevailing, 160 acres was a convenient and reasonably acceptable standard for purposes of furnishing irrigation water.

In 1964 the average number of acres per farm was 351.5. Application of the 1910 ratio in a physical sense to the 1964 average would result in 405 acres, as a comparable limitation in current times. This would include all patterns of farming. To be practical, it would need to be adjusted for different types of farming and for monetary considerations as well.

The average size of farm for California as of 1964 was 458 acres. Application of the United States ratio of 1910 to the California average of 1964 would reflect a limitation of 530 acres. Again, to be practical the 530 acres would need to be adapted to different patterns of production. In very broad terms different patterns of production would be orchards and vineyards, vegetable crops and field crops.

A ratio derived from a time period earlier than 1910 would indicate an even greater total as a current standard.

INTERNATIONAL CONSIDERATIONS

A treatment of the population and competition aspects of the 160-acre water limitation would not be complete without calling attention to an important international consideration.

In Mexico the Government has been and is supporting the development of irrigation projects. Legal ownership limitations in terms of hectare units for receiving water are the equivalent of 247 acres, a substantially larger unit than the 160 acres established in the United States. The economic advantage of the larger unit becomes even greater when account is taken of the much lower farm worker wage rates in Mexico as compared to those in the United States.

Mexico exports a number of agricultural products to the United States that are directly competitive to products produced on irrigated land in the United States.

It has been pointed out above that the 160-acre limitation imposed for federal projects in the United States results in the inefficient use of economic resources. It also encourages the flow of capital, technical knowledge and management from the United States and elsewhere to Mexico, to further develop agricultural production there.

Augmentation of production in Mexico augments the shipment of products to the United States for distribution and consumption. Such products are competitive with products produced in the Western States. Under more favorable competitive conditions much of the production increase could be developed in the United States, rather than elsewhere.

A modernization of the 160-acre limitation would lay the foundation for more favorable competitive conditions.

CONCLUSIONS

1. The 160-acre limitation of the Reclamation Act of 1902 carried foward a 160-acre standard adopted in 1862 for the Homestead Act. Due to economic changes, even as early as 1902 a size standard designed for the arid West should have been more than 160 acres, to adjust to the time span of 40 years.

2. In the light of farm management principles and economic studies of modern cultural practices, the fixed 160-acre limitation is grossly outdated. The standard needs to be updated and made sufficiently flexible to meet economic changes that occur from time to time.

3. To continue and maintain an arbitrary and restrictive standard continues to generate and carry forward inefficiencies in production and income. These come from the improper combination and use of the economic resources of land, labor, management, and capital investment. The fixed standard of a 160-acre limitation, therefore, results in a waste of economic resources by a distortion of competitive forces.

4. The public interest of the United States would be better served if the Congress would eliminate the 160-acre standard. Should Congressional lifting of the limitation in its entirety not be feasible, then the Congress should initiate and adopt an updated standard adjusted to the economics of present day agriculture and its markets. Provision should also be made for a practical degree of flexibility to fit economic changes through time.

Professional colleagues who assisted the writers in the preparation and review of this brief include: Professor T. R. Hedges, Professor H. O. Carter, Professor G. W. Dean, and Assistant Professor W. E. Johnston, Department of Agricultural economics, University of California, Davis; B. B. Burlingame and L. T. Wallace, Agricultural Economists and Farm Management Specialists, Agricultural Extension Service, University of California, Berkeley; and W. L. Portello, Assistant Agricultural Economist, California Department of Agriculture, Sacramento.

The writers are grateful for the assistance so generously given.

S. 1632—INTRODUCTION OF A BILL TO AMEND THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, AS AMENDED

Mr. STEVENS. Mr. President, on behalf of the junior Senator from Texas (Mr. TOWER) and the junior Senator from Nevada (Mr. CANNON), I am introducing a bill to amend the Federal Property and Administrative Services Act of 1949, as amended.

This bill was introduced in the last Congress by my good friend and former Senator from the State of Alaska, Ernest Gruening. His bill was cosponsored by our late Senator, Bob Bartlett. It passed the Senate but failed to obtain approval of the House of Representatives.

The bill provides that property which has been declared excess to the needs of Federal agencies, will be made available to State and local agencies before such property could be obtained by the Agency for International Development.

Much of the equipment now acquired by AID is stored for long periods until a foreign government requests it. And in many other cases, valuable equipment is given to a foreign government that is unable to use it or unable to maintain it. In any event, our American State and local agencies will be able to make good use of much of the surplus property, at a lower cost to the American taxpayer than now exists.

Considering the grave situations, both social and monetary, that exist in many of our States, I feel that our own problems and people should have the first option on the use of excess Federal properties. These properties were purchased with the taxpayers' money in the first place and it is unfair and unwise to expect them to pay again for items identical to those already sitting in Federal warehouses, awaiting shipment overseas.

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

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. 1632) to amend the Federal Property and Administrative Services Act of 1949, as amended, introduced by Mr. STEVENS, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 1632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 203(j)(1) of the Federal Property and Administrative Services Act of 1949, as amended, is further amended to read as follows: "Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate without cost (except for costs of care and handling and, with respect to excess property described herein, costs of transportation and repair) for use in any State for purposes of education, public health, or civil defense, or for research for any such purpose any equipment, materials, books, or other supplies (including those capitalized in a working capital or similar fund) under the control of any executive agency which—

"(i) shall have been determined to be surplus property; or

"(ii) shall have been determined to be excess property and is being held under section 608 of Public Law 87-195 (75 Stat. 424), approved September 4, 1961, as amended, which property shall be offered to designated State agencies, as herein defined, before being offered to any other eligible donee; and

"(iii) shall have been determined under paragraph (2), (3), or (4) of this subsection to be usable and necessary for such purpose."

S. 1635—INTRODUCTION OF A BILL EXEMPTING CERTAIN MEMBERS OF THE ARMED FORCES FROM SERVICE IN A COMBAT ZONE

Mr. INOUYE. Mr. President, the manpower demands of our present conflict in Vietnam are unique. Of those eligible to serve, many are able to defer their military service for the period of their college education and longer. Others enjoy exemptions on the basis of family support. Often however these deferments result in de facto exemptions. Yet under the circumstances of this war, which is not legally considered a national emergency, such exemptions are necessary.

Nevertheless, it is paradoxical that, when so few must bear the burdens of so many, some families are assuming double risk and suffering, while other families remain virtually untouched by the tragic conflict. There have been instances in my own State of Hawaii where two men within a single family were killed as a result of the Vietnam conflict. Also, there have been cases where two brothers were seriously wounded

while serving concurrent tours of duty in the combat area. I am sure that in each State these situations can be duplicated and multiplied.

At the present time, Department of Defense regulations offer two bases for deferment of military service in a combat area:

First. When one or more members of a family have been killed, or have died from injuries incurred in a combat area, the sole surviving son will be exempt from combat duty if he so requests.

The member of the military service must initiate the action by giving this information to his superiors. If, however, he wishes to stay on, he may sign a waiver forfeiting his right to be removed from the combat area.

Second. No two members of the same family are to be sent into a combat zone at the same time, provided one of the two members requests to have his service delayed.

But this serviceman must initiate the action by submitting an application to his superiors. If, however, he wishes to stay on, he must sign a waiver forfeiting his right to be transferred out of the zone for the length of time the other member of the family is serving there.

At the present time, the Department of Defense does not keep records which would reveal death of the next of kin, or concurrent duty of a next of kin.

My proposal would deny any surviving member of a family in which one or more members have been killed or died, as a result of injuries incurred in a combat area, the option of serving in a combat zone.

Third. The bill would forbid the assignment of a second member of the same family to concurrent duty in a combat area unless the two specifically volunteered for such service.

I believe the requirement that the surviving serviceman initiate the application for noncombatant duty is an unfair obligation to assume. I am sure all of us understand how a young man filled with esprit de corps after training with his unit might easily sign a waiver to enable him to stay with his buddies. He could, of course, refuse to sign the waiver and by so doing avoid combat. But he might fear that others would view his leaving as a cowardly act.

Also, a young serviceman is often motivated by a deep sense of service and patriotism. Each of these are pressures which constrain him from exercising his rights as now delineated in Armed Forces regulations.

Not only his interests but the interests of his loved ones are involved. Part of the right to make a decision must be freedom from coercion. With a decision of such far-reaching implications as this, and in view of the ready availability of replacements, no coercion should be permitted. Out of consideration, therefore, for his family and the young man himself, I am introducing with 35 other Senators this measure. I ask unanimous consent that the text of the measure and the list of cosponsors be printed in the RECORD.

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

The bill (S. 1635) to exempt a member of the Armed Forces from service in a combat zone when such member is the sole surviving son of a family, and for other purposes, introduced by Mr. INOUYE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 1635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1041. Limitations on assignments to combat zones

"(a) Except during a period of war or a national emergency declared by the Congress after the date of enactment of this section—

"(1) No member of the armed forces whose father or brother or sister was killed in action or died in line of duty while serving in the armed forces of the United States, or subsequently died as a result of injuries received or disease incurred during such service, shall be assigned to duty in a combat zone.

"(2) No member of the armed forces shall be assigned to duty in a combat zone at any time when a father, brother, or sister of such member is serving in a combat zone, unless such member volunteers for such duty.

As used in this section the term 'combat zone' means any area which the President by Executive order designates, for purposes of this section, as an area in which the armed forces are engaged in combat; the term 'brother' includes a half brother; and the term 'sister' includes a half sister.

"(b) The provisions of subsection (a) of this section shall be administered under regulations prescribed by the Secretary of Defense."

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof the following:

"1041. Limitations on assignments to combat zones."

The list of cosponsors of Senate bill 1635, presented by Mr. INOUYE, follows:

Mr. ANDERSON, Mr. BIBLE, Mr. BURDICK, Mr. CANNON, Mr. COOPER, Mr. DOMINICK, Mr. EASTLAND, Mr. FONG, Mr. FULBRIGHT, Mr. GOODELL, Mr. HART, Mr. HARTKE, Mr. HATFIELD, Mr. HOLLAND, Mr. HOLLINGS, Mr. JACKSON, Mr. JAVITS, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MILLER, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio.

S. 1636—INTRODUCTION OF A BILL TO AMEND THE TRADE EXPANSION ACT OF 1962

Mr. RIBICOFF. Mr. President, I introduce, for appropriate reference, a bill to amend the Trade Expansion Act of 1962. This legislation will serve the interests of both labor and industry by making more accessible urgently needed assistance and relief from the economic hardships posed by increasing foreign imports. The bill revises the escape clause and adjustment assistance provisions which, as set out in the 1962 act, have proven far too restrictive to be meaningful. It will insure greater flexibility in our trade laws without reneging on our basic commitment to freer international trade.

Mr. President, it is time we faced up to the fact that several of the provisions of the landmark Trade Expansion Act have fallen far short of their intended goal.

In the 1962 act we reaffirmed America's longstanding goal of more liberal international trade laws. At the same time, however, the Congress realistically recognized that changes and growth in international trade can, and often do, cause serious distress to businesses and individuals alike. Therefore, contained in the Trade Expansion Act, are several important provisions authorizing the use of various means of Federal relief when domestic industry or labor were threatened by rapidly increasing foreign imports.

No one questions that an influx of foreign products can have a serious impact on our economy. Cheap imports can throw American employees out of work; businesses can fail, and entire communities suffer. These hardships are the rightful concern of government and society. We must have adequate provision in our laws to assist those who are adversely affected by the changing patterns of international trade.

The fact is, however, that the legislative efforts to provide this assistance to industry and labor have been dismal failures. The 1962 act called for various types of assistance, including tariff adjustments and tax relief for industry, and readjustment and relocation allowances and job training assistance for labor. But the law, as drafted, is so restrictive as to make this assistance unavailable as a practical matter.

This problem is well known. Last year in a memorandum to all members of the President's Public Advisory Committee on Foreign Trade Policy, I stated the necessity for "a fair and just procedure by which domestic industries and workers who are suffering the consequences of a sudden and sharp growth of imports could receive relief." Under the present laws no such procedure is available.

The recent report of the Special Representative for Trade Negotiations also clearly states the need to revise our present legislation affecting the escape clause and adjustment assistance provisions. More recently, both the former Special Representative, William Roth, and the new Secretary of Commerce, Mr. Stans, have repeated this advice. In fact, I believe it is fair to say that both political parties support meaningful and substantive changes in these provisions.

The reason is simple. Since 1962 foreign imports into the United States have more than doubled. Our traditional favorable balance of trade has disappeared. In the wake of this influx, a number of vital and hard-pressed American industries have protested the inability of our present trade legislation to meet this crisis. The present demands for import quota legislation which now fills the Halls of Congress, reflect the failure to provide a reasonable solution.

In 1962, the Trade Expansion Act set out criteria for short term, industrywide relief under section 301—the so-called escape clause. Escape clauses are generally recognized by international trade agreements. The General Agreement on Tariffs and Trade—GATT—permits a nation to invoke escape clause remedies such as import restrictions, under the threat of serious injury to domestic producers from increased imports.

But section 301 does not work. It fails because the criteria for invoking its benefits are too rigid. Under these strict standards not one case brought under the escape clause since 1962 has resulted in relief to an American industry—in spite of the well-recognized and documented increase in foreign imports.

Congress must enact a more workable escape clause. This bill will establish new and far more reasonable criteria for relief under section 301. First, the Tariff Commission, in an escape-clause action, will only have to find that increased imports were caused in any part by past tariff concessions. Under the present standards, tariff concessions had to be the major cause of increased imports. Second, increased imports must be a substantial factor in causing serious injury rather than the presently required major factor. Additionally, the definition of domestic industry is amended to provide increased protection to workers and producers of a distinct product line where injury does not extend to the entire industry.

This bill will also change the present criteria for permitting adjustment assistance to individual firms and establishments as well as workers. It is commonly recognized that these provisions, first adopted in 1962, also have failed. In 1968 President Johnson called for revision in the law to "make our adjustment assistance program fair and workable." So far, no change has been adopted.

It is plainly ridiculous to have a useless provision in our trade law structure. The proposed bill will alter the established criteria in the present law which are so restrictive that no petition for assistance to workers or industry has ever been approved since the law was enacted.

This legislation will remove the necessity of proving a causal relation between tariff concessions and increased imports to obtain adjustment assistance for workers. In its place, this bill will require only that increased imports cause unemployment or underemployment of a significant nature.

Similarly, the criteria for adjustment assistance to firms and establishments will be altered to provide only the requirement that increased imports cause serious injury to the firm.

Additionally, individual establishments within a firm will be allowed to apply for relief. Under present law, the Tariff Commission must look at the entire firm to ascertain serious injury. This fails to recognize that whole communities may rely on the continued good health of a single business establishment. Such an establishment might be seriously injured by imports without affecting the whole firm.

Mr. President, I believe this bill represents a significant step forward in our efforts to deal with the problems of increasing foreign imports into the United States. The operation of a more effective escape clause and adjustment assistance provisions will be selective. Only those firms, industries, and groups of workers, which can show demonstrable need for protection will be able to avail themselves of the relief afforded. Nevertheless, it will provide urgently needed protection which presently is unavailable under our laws.

This legislation will provide many benefits. It will help to relieve Congress of the constant pressure for legislatively imposed quotas on certain goods. It will insure fairness to those industries which do not have the legislative muscle to obtain quotas under the present haphazard system. It will mean the continued growth of world trade and our share of it because it will not penalize our export industries by inviting foreign retaliation as quota legislation will do. Finally, it will help to protect us from the ravages of inflation which is enhanced by legislation forbidding foreign competition in the domestic marketplace.

Mr. President, I would like to include as part of my statement, a memorandum which I have prepared detailing the problem and proposed remedy more precisely. I ask unanimous consent that the text of the bill and the memorandum be included in the RECORD at this point.

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

The bill (S. 1636) to amend title III of the Trade Expansion Act of 1962 with respect to the criteria for establishing eligibility for tariff adjustment and other adjustment assistance, and for other purposes, introduced by Mr. RIBICOFF, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (b) and (c) of section 301 of the Trade Expansion Act of 1962 (19 U.S.C. § 1901) are amended to read as follows:

"(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as a result in any part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

"(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

"(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been a substantial factor in causing, or threatening to cause, such injury.

"(4) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

"(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall promptly make an investigation to determine whether an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a reasonable level of profit, and unemployment or underemployment in the firm.

"(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall promptly make an investigation to determine whether an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision."

SEC. 2. Section 301 of the Trade Expansion Act of 1962 (19 U.S.C. 1901) is amended by adding at the end thereof the following new subsection:

"(h) For purposes of this title—

"(1) the term 'firm' includes, with respect to petitions under subsection (c) (1) and adjustment assistance under chapter 2, a separate establishment of a firm, if the firm so elects, and

"(2) the term 'group of workers' includes with respect to petitions under subsection (c) (2) and adjustment assistance under chapter 3, a group of workers of a separate establishment of a firm, if the group so elects."

SEC. 3. Section 351 (a) (2) of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1981) is amended to read as follows: "(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301 (e)—

"(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increases or imposition, and

"(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of those members present and voting in each House, of a concurrent resolution stating, in effect, that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session."

SEC. 4. Section 351 (a) of the Trade Expansion Act of 1962 is amended by striking out paragraph (4).

SEC. 5. Section 405 of the Trade Expansion Act of 1962 (19 U.S.C. § 1806) is amended by adding at the end thereof the following new paragraph:

"(7) The term 'domestic industry' means, with respect to any imported article, a substantial portion of those firms or appropriate subdivisions thereof which produce the like or directly competitive domestic article. In a multi-establishment firm, each establishment producing the domestic article shall be considered an appropriate subdivision. Where the domestic article is produced in a distant part or section of an establishment such part or section shall be considered an appropriate subdivision."

The memorandum, presented by Mr. RIBICOFF, follows:

EXPLANATION OF PROPOSED AMENDMENT TO ESCAPE CLAUSE AND ADJUSTMENT ASSISTANCE CRITERIA CONTAINED IN SECTIONS 301 (b) AND (c) OF TRADE EXPANSION ACT OF 1962

THE NEED FOR A REVISION

There is a manifest need for a revision of the escape clause and adjustment assistance provisions of the Trade Expansion Act of 1962.

Since 1962, imports have increased from $16.2 billion to over $33 billion, or by over 100 percent. Our favorable trade balance has disappeared. When subsidized foreign aid-financed exports are eliminated from total exports and the cost of insurance and freight is added to our imports (as it is computed for most industrialized countries) our trade deficit in 1968 reached a magnitude of $4.6 billion.

In spite of the tremendous growth in imports and the consequent effect on employment in this country, not one case under section 301 of the Trade Expansion Act has resulted in relief to American industry or labor. Twenty-five investigations were made under that section, and twenty-five times relief was denied.

SUPPORT FROM BOTH PARTIES

In submitting recommendations for modifying the adjustment assistance provisions of the 1962 Act, President Johnson in May, 1968 recognized that section 301 must be revised. He stated: "Unfortunately this program has been ineffective. The test of eligibility has proved to be too rigid, too technical, and too complicated." He went on to say, "As part of a comprehensive trade expansion policy, I propose that we make our adjustment assistance program fair and workable. I recommend that Congress broaden the eligibility for this assistance. The test should be simple and clear; relief should be available whenever increased imports are a substantial cause of injury."

While President Nixon has not yet specifically endorsed the Johnson recommendations on section 301, the Republican platform of 1968 recognized that: "A sudden influx of imports can endanger many industries. These problems, differing in each industry, must be considered case by case. Our guideline will be fairness to both producers and workers, without foreclosing imports. . . . We also favor the broadening of governmental assistance to industries, producers, and workers seriously affected by imports. . . ."

More recently, the former Special Trade Representative, Ambassador William Roth, submitted a report to the President on the *Future United States Foreign Trade Policy*, which specifically recommended liberalizing the escape clause and adjustment assistance provisions of the Trade Expansion Act.

It is fair to say therefore that the substance of the modifications recommended in this bill are blessed by both parties and widely recognized as a vital, first step in the adoption of a realistic foreign trade policy.

ESCAPE CLAUSE

The present drive for mandatory import quota legislation is symptomatic of the failure to provide a workable means of escape from the occasionally injurious consequences of our trade expansion program of recent years.

The basic policy concept was, and is, to stimulate a long-term expansion of world trade by the gradual dismantling, on a reciprocal basis, of tariff and other trade barriers. Implicit in the concept, however, is "escape" from harmful, short-run dislocations of particular industries by rising imports. Since 1962, no effective means of "escape" has been available to American industry.

Most trade agreements to which the United States is a party contain escape clauses. Typical and of most general effect is Article XIX. 1. (a) of the General Agreement on Tariffs and Trade.[1]

The United States implemented an escape clause by legislation in section 7 of the Trade Agreements Extension Act of 1951, which Act predicted eligibility for relief on an increase in imports resulting in whole or in part from a trade agreement concession and that such increased imports had contributed substantially toward causing or threatening serious injury.

During the eleven years of section 7, the Tariffs Commission instituted 135 investigations at the behest of American industries and completed 113. A commission majority recommended relief in the form of import restrictions in 33 cases and were equally divided in 8. The President proclaimed restrictions in 15 instances.

The escape clause was radically restructured in the Trade Expanision Act of 1962, and especially the criteria of eligibility for tariff adjustment, to accord with the innovation first introduced at that time of adjustment assistance to firms and workers adversely affected by increased import competition. Under the 1962 escape clause, only 12 industries have made application for relief; in not one of these cases has the Tariff Commission found the petitioning industry to be entitled to tariff adjustment.

The President in his message to the Congress on May 28 proposed an easing of the criteria of eligibility for adjustment assistance to individual firms and groups of workers. The President characterized the present adjustment assistance tests, which are identical with the escape clause criteria for tariff adjustment, as "too rigid, too technical, and too complicated" and ask that the adjustment assistance program be made "fair and workable." That would be the result of this bill.

A workable program of adjustment assistance is desirable in those instances where it is the occasional firm or group of workers which for individual reasons is unable to withstand the competition of increased imports.

When, however, the adverse effect extends to entire industries, "adjustment assistance" is not the proper remedy. Unfortunately this was not foreseen in 1962. To employ adjustment assistance in these circumstances would be tantamount to providing unemployment compensation on a grand scale as a substitute for tariff adjustments. It is difficult to understand how such subsidization can be in the public interest. It is therefore necessary to refashion the escape clause and thereby create an effective safety valve, equitable to both American industry and to America's trading partners.

The unworkability of the present escape clause derives from the virtually insurmountable obstacles posed by the "major part" and "major factor" tests. In order for the Tariff Commission to find an industry eligible for "tariff adjustment"—i.e., withdrawal or suspension of concession duty rates, limitation of imports by quotas, or negotiation of orderly marketing agreements, or certification of the firms and workers constituting the industry as eligible for adjustment assistance—it must be found that a trade agreement concession was the major cause of an increase in imports, and that the increased imports were the major factor in causing, or threatening to cause, serious injury.

In practice, it is virtually impossible for the Tariff Commission or any other objective institution to find that tariff concessions per se have been the major cause of increased imports and that increased imports have been the major factor in causing, or threatening to cause, serious injury to an industry. The phrases "the major cause" and "the major factor" have been interpreted to mean a cause greater than all other causes combined, which clearly is an impossible task, and contrary to the purpose of having an escape clause in the first place.

It was not the intent of the Congress in enacting the major part and major factor tests to create an impossible obstacle to escape clause relief from injurious import competition; quite the contrary, this language was intended to prevent overly restrictive interpretations by the Tariff Commission and the President in applying the section.[2]

The proposed amendment would restore to the escape clause the original Congressional intent. The criteria of eligibility for tariff adjustment here proposed are similar to those proposed in the President's Message to the Congress of May 28 for adjustment assistance, modified to satisfy GATT obligations.

New subsections 301(b)(1) and (3) of the

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[1] If, as a result of unforeseen developments and of the effects of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession."

[2] The Senate explained its insertion of the major cause criteria, concurred in by the House, as follows:

"The bill as it came to the (Finance) committee might have made it difficult for industries which felt that they had been injured to prove their case under the escape clause. The language of the bill could have been interpreted to mean that the increased imports as a result of concessions were the sole cause of the injury. While this may not have been the intent of the bill, the amendment makes it clear that the Tariff Commission need find only that the tariff concessions have been the major cause of increased imports and that such imports have been the major cause of the injury." S. Rep. No. 2059, 87th Cong., 2d Sess., page 5.

Trade Expansion Act would provide that the Tariff Commission shall determine whetner imports have increased in any part as a result of trade agreement concessions, and whether such increased imports have been a substantial cause of serious injury, or threat of such injury, to a domestic industry producing like or directly competitive products.

The term "increased quantities" of imports is intended to require that, if quantities of imports in a recent period reflect an absolute increase over quantities of imports in a representative base period, the total quantity of imports in such recent period shall be taken into account. Thus, if quantities of imports in a representative base period were 8 million units and the quantities in a recent period were 10 million units, the quantities of imports to be considered would be 10 million units.

The "directly competitive" imported article is intended to mean either an article which is like the domestic article and is therefore necessarily directly competitive with it, or one which is unlike the domestic article but nevertheless competes directly with it.

In cases where there is more than one directly competitive imported article, it is intended that the quantities of imports of the several imported articles shall be taken together for purposes of determining whether there have been increased quantities of imports.

By the use of the words "have been," it is intended that the increased quantities of imports shall have occurred in the recent past.

With respect to the causal relationship between increased quantities of imports and injury, or the threat thereof, the term "substantial factor in causing" is intended to require the demonstration of an actual and considerable cause. A substantial cause in any specific case need not, however, be greater than all other causes combined nor even greater than any other single cause.

It is intended that the term "industry" shall be co-extensive with those firms or appropriate subdivisions thereof which produce the domestic article in question. In a multi-establishment firm, that establishment producing the article shall be considered that appropriate subdivision. Where the article is produced in a distinct part or section of an establishment (whether the firm has one or more establishments), such part or section may be considered an appropriate subdivision.

ADJUSTMENT ASSISTANCE

The "innovation" of adjustment assistance adopted in the 1962 Trade Expansion Act has not worked. While it cannot be a substitute for industry-wide relief under an escape clause proceeding, whenever such relief is justified by the facts, there is nevertheless a place for adjustment assistance in our tariff laws. The effects of import competition are not always, or even often, uniform across a given industry. Special assistance may be warranted for those firms whose smaller size, lesser product diversification and more limited financial resources make them more vulnerable than the stronger firms in the same industry.

It may be difficult to achieve the objective of providing help to these smaller firms within an industry if the relief remedies available are restricted to a higher tariff or quota under the escape clause. Indeed, there is the possibility that escape clause relief in such circumstances would benefit only the larger firms within the industry who may not be suffering from imports without aiding the smaller firms who may be suffering from import competition as well as competition from these larger firms. Under such circumstances, selected, pinpointed relief to these smaller firms may be the answer.

The adjustment assistance provision of the Trade Expansion Act of 1962 provide for assistance to firms in the form of technical assistance, financial assistance, and tax relief. The provision of this bill will not change the nature of this assistance, but will make it possible for injured firms to receive such relief.

It achieves this objective by eliminating the "rigid, technical and complicated" test of eligibility in the 1962 Act. Under the proposed bill a firm would be eligible for adjustment assistance if imports were causing or threatening to cause serious injury to such firm. The imports would not have to result from tariff concessions and would not have to be "the major cause" of the injury. Establishing a causal relationship between the increased imports and injury would be left to the unfettered judgment of the Tariff Commission.

Similarly, in the case of groups of workers who applied for adjustment assistance, the rigid language of the 1962 Act would be removed, and in its place a causal relationship between imports and unemployment or underemployment would be established.

Relief in the case of groups of workers would take the form of "trade readjustment allowed," "on the job training" and other benefits as provided by Sections 322, 326, and 328 of the Trade Expansion Act of 1962.

SECTION 2

Section 2 of this bill would make adjustment assistance available to individual establishments and groups of workers of such establishments.

SECTION 3

Section 3 of this bill would amend section 351(a)(2) of the Trade Expansion Act so as to make it possible for a majority vote of those present in both Houses of Congress to "override" a President's decision not to act positively on a finding of injury by the Tariff Commission under an escape clause proceeding. Under present law, the Congress can so "override" a President's decision on an escape clause only if a majority of the authorized membership of both Houses agreed to do so. This clearly makes it virtually impossible for the Congress to act in concurrence with a Tariff Commission recommendation as it would require 51 positive votes in the Senate and 218 in the House of Representatives.

SECTION 4

Section 4 of the bill would eliminate subsection 351(a)(4) of the TEA completely, as an inequitable protraction of the time in which the President must act following a Tariff Commission recommendation for tariff adjustment.

Under section 301(f)(2), the Tariff Commission must complete its investigation and report to the President within 6 months from the date of filing of the petition. In practice, the Commission takes the full 6 months.

After receipt of the Commission's report and recommendation, the President has under section 351(a)(2) 60 days within which to act.

However, section 351(a)(4) permits the Prsident as a matter of discretion within the 60 day period to request additional information from the Tariff Commission, which body has then a further 120 days to supply the requested information, following which the President again has a further 60 days within which to take final action.

This succession of time periods permits the postponement of final action up to 14 months from the date of filing of the original petition. It is felt that 6 months for investigation and report by the Tariff Commission plus an additional 2 months for consideration and final action by the President affords adequate time to serve the purposes of the statute. Prolongation of final action by another 6 months can only be inequitable to industries which merit escape clause protection.

SECTION 5

Section 5 of this bill redefines "domestic industry" as discussed previously.

S. 1637—INTRODUCTION OF THE AIRPORT AND AIRWAYS DEVELOPMENT BILL OF 1969

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, the airport and airways development bill of 1969.

Mr. President, one of the most pressing and at the same time most perplexing problems confronting the Nation today is the disappointing failure of our airports-airways system to meet the increasing demands of Americans for air transportation.

It is ironic that the United States, the most air-minded nation in the world, is fast developing airliners capable of whisking passengers across the Atlantic in 3 hours but at the same time our system is often unable to transport people from Washington to New York in the same amount of time.

The people of the United States know and appreciate the greatest degree of personal mobility ever known to men anywhere. To a large extent this mobility has been brought about by the advent of the airplane. And this freedom of movement without barriers, this unmitigated trade and commerce which has resulted is in large part taken for granted. As our people's horizons broaden—as they become more educated, more affluent, and as they have increasing leisure time, they are going to expect more and greater mobility. And for better or for worse they are going to look to the airplane to provide it. The airplane is going to be as much an integral part of the lives of the next generation as the automobile is to the present generation.

And yet the Nation's airports-airways system, glutted, confused, sometimes dangerous, and increasingly prone to delay—will not accommodate the growth expected even in the next 12 years. In other words, the system is now feeling the strain imposed by years of willy-nilly growth and the scant attention paid by us to the need for long-range coordinated transportation planning.

What really should concern us is that time has almost run out—indeed, in some segments of the air transportation system the dread day is here.

Yet if we fail to respond now, that failure to provide for the demands of our citizens for mobility will exact stringent penalties on our society. We will become growth-limited—a frightening prospect for an economy whose health depends on growth.

The inhibitions to growth sometimes are staggering. Our hub airports have in many cases reached the saturation point in terms of providing more aviation services to more people. When the next generation of jet airplanes goes into service later this year, the hubs will be strained and strapped even further. And yet we have done very little other than to expand, piecemeal, these great jetports, keeping a step or two ahead of the jaws of disaster. We have failed to make adequate plans and provisions for the totally new facilities and concepts that we will need in just a few short years.

The situation facing general aviation is every bit as bleak. Many seem to forget the astronomical growth in business

and pleasure flying which will put nearly a quarter of a million airplanes into our system by 1980. Their sheer numbers, will swamp our present airways and swell our already bulging airports.

And with the tremendous growth in the number of people and airplanes flying comes the increasing din for quieter and cleaner airplane engines. In many communities today the jet airplane and the airport are no more welcome than are garbage dumps and sewage treatment plants.

The Nation's overworked and overstrained air traffic controllers are nearing the point at which they can no longer control safely and efficiently the dozens of new airplanes which enter the system each day, vying for air space, ground space, and other support facilities. The skies are crowded and will get more so as more and more of our people take to the air, and yet the present system for controlling the air is hopelessly outmoded for even today's traffic.

And yet where are the answers as to how we are going to meet this burgeoning growth? Is it going to stifle and eventually strangle our great air system?

That is the challenge facing us today.

The airport and airways development bill of 1969, is, I believe, a step forward toward meeting our responsibility. The bill is the product of 2 years of hearings before the Aviation Subcommittee and represents our best present judgment about where to begin. In its present form the bill may not meet all the objectives which we wish to set forth but it is a proper beginning—if you wish, a working paper on which the Commerce Committee may build a program that will meet the requirements needed in the future for air transportation. The time for studies, additional dialog, and more delay is past—it is a time for action and I believe that this bill will establish a firm foundation for moving ahead now.

The Commerce Committee finds that most authorities are in agreement that the major dilemma facing the Nation's airports and airways today is a severe shortage of funds which would allow the expansion and modernization of the system.

In the past, the funds for support of our airports and airways have been appropriated by the Congress from year to year to meet current and pressing needs. The amount of money available has not been sufficient to meet the long-range growth needs of aviation and therefore each year we have seen the system slip further behind.

The time is now past when the American public can be expected to continue to pay out of general Treasury funds the vast amounts of money needed to bring us up to date. The schedule of national priorities and the shortage of money makes it impossible to support the system at an adequate level from general revenues.

Because of this glaring fact we must ask and expect the primary beneficiaries and users of the airport-airways system to bear a greater share of the burden of providing the funds to meet these pressing needs.

This bill will provide the statutory vehicle to assure that we begin the development of a safe and efficient national airport and airway system.

Basically, my bill creates an airport and airways trust fund, similar in concept to the highway trust fund, into which would go the receipts from the present user taxes on aviation and receipts from new taxes which the Congress may enact.

The bill earmarks from the trust fund annually $150 million for airport development and $250 million for the acquisition and installation of air navigation facilities. The balance of money remaining in the fund would be used to pay for other FAA costs, such as research and development and the maintenance and operation of the airways system.

The bill extends for another 5 years the existing Federal Airport Act which provides for 50-50 matching grants for publicly owned airports for landing area development and increases the annual expenditure authorization to $150 million, financed from the trust fund rather than from general appropriations.

The bill further amends the Federal Airport Act by authorizing a $1 billion guaranteed loan program for terminal area development at publicly owned airports. Such loans could be used for development of airport access roads, parking facilities and other terminal needs in addition to advance acquisition of land for noise buffer zones.

This bill declares that there is a general public benefit in having a safe, efficient airways and airport system beyond the military's actual use of the system and asserts that the civil users of the system should not be required to pay the cost of the system attributable to military use and the general public benefit. These costs would be paid out of general appropriations.

Under the provisions of this bill the Secretary of Transportation would be required to conduct an extensive review of the method of allocating costs of the airport-airways system among users to determine the appropriate share attributable to the general public benefit and the method that should be used in allocating costs among the military, commercial aviation, and general aviation. The civil users would specifically be given an opportunity to participate, on a consultative basis, in this review.

Mr. President, the urgency of the dilemma facing the Nation's system of air commerce and transportation demands action now. Late last year the FAA found the situation so serious at five of the Nation's most important airports that it ordered severe restrictions limiting the number of hourly takeoffs and landings which are to begin this spring. Artificial constraints on the system such as the new regulation should not be necessary in a nation which has always prided itself on its remarkable aviation superiority. Restrictions are not an acceptable answer to the problems of crowded airports and airways in the United States. If we act soon, then, we may hope that such repugnant measures will be short lived and that, as the United States need for air transportation increases, our airports and airways will be equipped to handle this need.

At this point, I ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 1637) to provide additional Federal assistance in connection with the construction, alteration, or improvement of air carrier and general purpose airports, airport terminals, and related facilities, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 1637

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 "Airport and Airways Development Act of 1969"

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that the Nation's airport and airway system is inadequate to meet current and projected growth in aviation and that substantial expansion and improvement of the system is required to meet the demands of interstate commerce, the postal service and the national defense. The Congress finds that the civil users of air transportation are capable of making a greater financial contribution to the expansion and improvement of the system through increased user fees. The Congress finds, however, that the civil users should not be required to provide all of the funds necessary for future development of the system and that revenues obtained from the general taxpayer will continue to be required to pay for actual use of the system by the military and for the value to the national defense and the general public benefit in having a safe, efficient airport and airway system in being and fully operational in the event of war or national emergency.

COST ALLOCATION STUDY

SEC. 3. The Secretary shall conduct a study respecting the appropriate method for allocating the cost of the airport and airway system among the various users and shall identify the costs to the Federal Government that should appropriately be charged to the system and the value to be assigned to the general public benefit. In conducting the study the Secretary shall consult fully with and give careful consideration to the views of the users of the system. The Secretary shall report the results of the study to Congress within two years from the date of enactment of this Act.

AIRPORT AND AIRWAYS TRUST FUND

SEC. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the airport and airways trust fund (hereafter in this Act referred to as the "trust fund"), consisting of such amounts as may be appropriated, credited, or transferred to the trust fund as provided in this section.

(b) There is hereby appropriated to the trust fund, out of any money in the Treasury not otherwise appropriated, (1) amounts equivalent to the taxes received in the Treasury after , 1969, and before , 1975, under subsection (c) of section 4041 (taxes on aviation fuel) and under sections 4261 and 4271 (taxes on transportation by air) of the Internal Revenue Code of 1954, and (2) amounts determined by the Secretary of the Treasury to be equivalent to the taxes received in the Treasury after , 1969, and before , 1975, under section 4081 of such Code with respect to gasoline used in aircraft. The amounts appropriated pursuant to this subsection shall be transferred at least monthly from the gen-

eral fund of the Treasury to the trust fund on the basis of estimates by the Secretary of the Treasury of the amounts described in paragraphs (1) and (2) of this subsection. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) On July 1, 1970, all unexpended funds which have been appropriated for the purpose of carrying out the provisions of the Federal Airport Act and for the purposes of making expenditures under programs authorized by sections 307(b) and 312(c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958, as amended, shall be transferred to the trust fund.

(d) There are hereby authorized to be appropriated to the trust fund such additional sums as may be required to make the expenditures for the purposes for which funds shall be allocated in subsection (f).

(e) It shall be the duty of the Secretary of the Treasury to hold the trust fund, and (after consultation with the Secretary of Transportation) to report to the Congress not later than the 1st of March of each year on the financial condition and the results of the operations of the trust fund during the preceding fiscal year and on its expected condition and operations during subsequent fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made. It shall be the duty of the Secretary of the Treasury to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. The interest on, and proceeds from the sale of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

(f) On or before July 1, 1970, and on or before July 1 of each fiscal year thereafter, the aggregate amount which will be made available in the trust fund pursuant to subsections (b), (c), and (d) of this section during the then current fiscal year shall be allocated as follows:

(1) $150,000,000 of the trust fund shall be allocated for expenditure for grants authorized to be made by the provisions of the Federal Airport Act.

(2) $250,000,000 shall be allocated for expenditure to acquire, establish, and improve air navigation facilities under subsections (1) and (4) of section 307(b) of the Federal Aviation Act of 1958, as amended.

(3) The balance of the moneys available in the trust fund shall be allocated for the necessary administrative expenses incident to the administration of programs for which funds are to be allocated as set forth in paragraphs (1), (2), and (3) of this subsection, and for the maintenance and operation of air navigation facilities and the conduct of other functions under section 307(b) of the Federal Aviation Act of 1958, not otherwise provided for in paragraph (2) of this subsection, and for research and development activities under section 312(c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958, as amended.

(g) Amounts in the trust fund shall be available as provided by appropriation Acts for making expenditures after June 30, 1970, and before July 1, 1975, to meet the obligations of the United States heretofore and hereafter incurred under the Federal Airport Act approved May 13, 1946, as amended, and under section 307(b) and 312(c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958, as amended, and administration expenses incidental thereto.

(h) No moneys shall be available for expenditure from the trust fund before July 1, 1970.

GUARANTY OF AIRPORT DEVELOPMENT LOANS

SEC. 5. (a) The Secretary of Transportation is authorized to guarantee as an obligation of the United States, subject to such terms and conditions as he shall prescribe, any lender against loss of principal or interest on any securities, obligations, or loans issued to finance any public airport development as defined in subsection (c) of this section, if he finds that—

(1) There is reasonable assurance of redemption of the securities or obligations or repayment of the loan;

(2) The amount of the financial assistance, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the financial assistance is made available; and

(3) The entity requesting the financial assistance will comply with such standards, terms, and conditions as the Secretary may prescribe concerning the uses, physical characteristics, and features of the airport and related facilities.

(b) The maturity date of any such securities, obligations, or loans, including all extensions and renewals thereof, shall be no later than thirty years after their date of issuance. The Secretary shall prescribe and collect a reasonable annual guarantee fee in connection with any guarantee under this Act. The total amount of loans guaranteed by the Secretary of Transportation may not exceed $1,000,000,000 at any one time.

(c) For the purposes of this section, the term "airport development" means the construction, alteration, improvement, or repair of airport hangars; airport passenger or freight terminal buildings and other buildings required for the administration and operation of an airport; public parking facilities for passenger automobiles; roads within the airport boundaries; and any acquisition of land adjacent to or in the immediate vicinity of a public airport, including any interest therein, or any easement through or any other interest in airspace, for the purpose of assuring that activities and operations conducted thereon will be compatible with normal airport operations.

(d) Receipts under this section shall be credited to a special account in the United States Treasury, and be available together with such appropriations as may be made from time to time by Congress for expenditure for necessary administrative expenses and other costs incident to the program authorized by this section.

AUTHORIZATION FOR AIRPORT DEVELOPMENT

SEC. 6. Section 5(d) of the Federal Airport Act (49 U.S.C. 1104(d)) is amended by adding at the end thereof the following new paragraphs:

"(10) For the purposes of carrying out this Act in the several States, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $665,000,000 are hereby authorized to the Secretary of Transportation over a period of five fiscal years, beginning with the fiscal year ending June 30, 1971. Of amounts appropriated under this paragraph, $133,000,000 shall become available for obligations, by the execution of grant agreements pursuant to section 12 beginning July 1 of each of the fiscal years ending June 30, 1971, June 30, 1972, June 30, 1973, June 30, 1974, and June 30, 1975, and shall continue to be so available until expended.

"(11) For the purpose of carrying out this Act in Hawaii, Puerto Rico, and the Virgin Islands, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate of $15,000,000 are hereby authorized to the Secretary of Transportation over a period of five fiscal years, beginning with the fiscal year ending June 30, 1971. Of amounts appropriated under this paragraph $3,000,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1971, June 30, 1972, June 30, 1973, June 30, 1974, and June 30, 1975, and shall continue to be so available until expended. Of each such amount 40 per centum shall be available for Hawaii, 40 per centum shall be available for Puerto Rico, and 20 per centum shall be available for the Virgin Islands.

"(12) For the purpose of developing, in the several States, airports the primary purpose of which is to serve general aviation and to relieve congestion at airports having high density traffic serving other segments of aviation, in addition to other amounts authorized by this Act for such purpose, appropriations amounting in the aggregate to $70,000,000 are hereby authorized to the Secretary of Transportation over a period of five fiscal years, beginning with the fiscal year ending June 30, 1971. Of amounts appropriated under this paragraph, $14,000,000 shall become available for obligations, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1971, June 30, 1972, June 30, 1973, June 30, 1974, and June 30, 1975, and shall continue to be so available until expended."

CONFORMING AMENDMENTS

SEC. 7. (a) Section 6(a) of the Federal Airport Act (49 U.S.C. 1105(a)) is amended by striking out "or 5(d)(7)" in the first sentence and inserting in lieu thereof "5(d)(7), or 5(d)(10)".

(b) Section 6(b)(1) of such Act (49 U.S.C. 1105(b)(1)) is amended by striking out "and 5(d)(7)" and inserting in lieu thereof "5(d)(7), and 5(d)(10)" and by striking out "and 5(d)(9)" and inserting in lieu thereof ",(5)(d)(9), and 5(d)(12)".

S. 1638 AND S. 1639—INTRODUCTION OF BILLS AMENDING THOSE PARTS OF THE SOCIAL SECURITY ACT AND RAILROAD RETIREMENT ACT WHICH PERMIT BENEFITS TO STUDENTS BEYOND THEIR 18TH BIRTHDAY

Mr. MONDALE. Mr. President, I introduce two bills, with similar amendments to the Social Security Act and the Railroad Retirement Act, for appropriate reference. Amendments to both acts apply to the present programs which permit the administering agencies to pay the child's benefit to a child of deceased or disabled parents after he is 18 if he continues as a full-time student. These bills, first, permit half-time and three-quarter-time students to be eligible for these benefits; second, increase the maximum age at which these benefits may be received from the 22d birthdate to the 26th birthdate—with the benefit terminating in the first month after age 22 that the student becomes eligible for a baccalaureate degree—and, third, permit the Social Security Administration and the Railroad Retirement Board to notify persons who are potentially eligible for those benefits no later than their 14th birthdate.

Since 1965 the Social Security Administration and the Railroad Retirement Board have provided benefits to children of disabled or deceased parents beyond their 18th birthday if they remain full-time students. Much of this aid has gone to college students. At the end of fiscal year 1968, 341,000 undergraduate students were receiving aid from the Social Security Administration. Their av-

erage benefit payment was $71.97 per month or $864 per year. The Railroad Retirement Board was also paying benefits to 8,000 undergraduate students. Their average benefit payment was $95 per month, or $1,140 per year.

Neither of these agencies knows how many of the students it has aided during the last 4 years would have been able to continue their education if they had not received these benefit payments. Since they are the children of dead or disabled parents, however, it is reasonable to conclude that a sizable number are in college today who, without this aid, would not have continued their education.

I think that a few changes in these programs will make them more flexible and, therefore, more capable of responding to the educational needs of potentially eligible students who cannot or do not presently receive these benefits. The changes do not contemplate costly new practices. But they will make it possible for many to receive benefits who do not now do so.

The purposes of these amendments are outlined as follows:

PERMIT PART-TIME STUDENTS TO RECEIVE BENEFITS

The present programs of the Social Security Administration and the Railroad Retirement Board permit child's benefits after age 18 only to full-time students. This bill will permit half-time and three-quarter-time students to receive benefits. For students attending school with a three-quarters course load, their full-time benefit equivalent will be reduced by one-fourth. Students attending school who are carrying a half-time load will be eligible to receive a benefit equal to one-half of their full-time benefit. This means that, although students may be eligible to receive benefits over a longer period of time, their total benefit will not be any higher than it would have been had they been full-time students. This provision permits students more flexibility in arranging their schedules in order that they may engage in more part-time work.

This change is based on the assumption that there may be many students potentially eligible for this program who cannot afford to attend school full time. But they could work half time, receive their benefit, and attend college.

Paying benefits to part-time students is not a new concept in direct government aid to college students. The Veterans' Administration GI bill permits reduced payments to half-time and three-quarter-time students. This is what I propose for the social security and railroad retirement programs. A number of the present participants in the GI bill program take advantage of these provisions. According to information supplied to me by the Veterans' Administration only 49.6 percent of the students receiving college aid through its programs are full-time students.

When one considers that the students eligible for social security and railroad retirement child's benefits are the children of deceased or disabled parents it is not difficult to conclude that many are from families with low incomes. Many must assist their families in meeting living expenses. These are precisely the students who need help the most and who would most benefit from a provision which would permit them to attend school part time and earn additional income in order that they can attend school at all. This country must not deny these students the opportunity of a post-secondary or higher education experience because of a rule which does not take account of their particular circumstances.

INCREASE MAXIMUM AGE

There are two reasons for increasing the maximum age for students to whom benefits under these programs may be paid. First, according to the 1960 census the median high school graduate is 18.1 years of age when he graduates. This means that half of the high school graduates cannot finish college before their 22d birthday even if they attend full time. Indeed, 19 percent of all students who receive social security benefits are still in school at age 22, when they are dropped from the program. Thus, we need to raise the maximum age of the program simply because many of the present eligibles fail to complete their education by age 22.

The second reason for raising the maximum age is that other changes offered by this bill permit part-time students to receive benefits. If we permit this we must also permit students to be eligible for a longer period of time. It would be unjust to the student whose family income was such that he had to work long hours at a part-time job in order to attend college half time to tell him at age 22—when he has completed the equivalent of 2 full years of college work—that he was no longer eligible. It would also be unjust to the high school graduate who works for a year or two and then goes to college to tell him at age 22 that he is no longer eligible. There are many children of hard-working parents who fall into these categories. I think the provisions of these very good programs should recognize this fact.

This bill raises the maximum age at which students can receive benefits under these programs to the 26th birthdate. After age 22 any qualified student may participate in any educational program for which he was eligible before age 22, except that his benefit will terminate in the month in which he first becomes eligible for a baccalaureate degree. The reason for permitting benefits until age 26—as compared with age 24, for example—is that if we permit students to attend school half time or three-quarter time—with a reduced benefit—it might take them until this age to graduate from college. There may also be students who decide several years after high school graduation that they would like to begin vocational or college work.

REQUIRE NOTIFICATION

Decisions to continue education after high school are usually made early in the high school years. At that time students must decide what courses to take in order to meet the requirements for further work. If the high school senior finds that he has not chosen the correct courses for college work he may be discouraged from making application and attending because he believes he is inadequately prepared. He may also find that he has not taken courses which permit him to meet the entrance requirements of institutions to which he wants to apply.

The decision to attend college also involves financial calculations. The cost of attending college is rising—and it is expected to increase even faster over the next few years. The Office of Education estimates that the tuition, room, and board cost for attending a 4-year public institution in 1968–69 is $1,183 per year. For 4-year private institutions the comparable cost is $2,443. These figures do not include even the costs of books, let alone the many other expenses incurred by the college student. It is not surprising that the decision to attend college often hinges on the availability of finances. Many students who have the ability and desire to do college work do not attend college simply because adequate finances are not available. The Project Talent research project sponsored by the Office of Education, and executed by the University of Pittsburgh, for example, found that 92 percent of the young men in the highest achievement quartile from families in the highest income quartile enter college in the year following graduation. But for young men of equal ability, from families in the lowest income quartile, the figure is only 61 percent.

The dropoff is even more dramatic for young women—from 87 percent to 42 percent. For men and women together, these percentages mean that high ability students—as measured by achievement—from families with the lowest incomes are only about half as likely to enter college as students of equal ability from families with the highest incomes.

For all of these reasons, it is not surprising that numerous authorities believe that the early high school years are the critical years when decisions to attend college are made. The recent Department of Health, Education, and Welfare report to the President, entitled "Toward a Long-Range Plan for Federal Financial Support for Higher Education," says:

> There is some evidence that changes in the cost of college have a greater impact upon college attendance if these changes are made known to students early in their high school careers. If there were a fundamental improvement in the method of financing student's education, it is likely that the long range impact of this change would be to remove some of the barriers to college attendance which we identify as "motivational" in the short-run.

The Veterans' Administration which administers a program which aids the sons and daughters of deceased and disabled veterans notifies potential eligibles at age 13. The agency does this on the advice of its psychological consultants who say that this information is critical in the early high school years in order that students may make the financial calculations and course decisions that are crucial for college attendance.

At the present time the Railroad Retirement Board notifies those who will be eligible for a child's benefit beyond age 12, if they are full-time students, 90

days before their 18th birthday. The Social Security Administration makes its notification 5 months before the 18th birthday. By this time many students have already graduated from high school. They may have already begun work or made other commitments which prevent them from attending college. They may not have taken the proper courses to prepare them for college work or to meet the requirements of the institution they wish to attend. And they may have believed that the cost of college was beyond their means. The additional money available from these programs might have made the difference between their attending and not attending college. Their decision not to attend is an incalculable loss of resources to this country. And it will likely have a profound influence on the life of the individual who has made the decision.

The purpose of the amendment requiring the Social Security Administration and the Railroad Retirement Board to notify potential eligibles at age 14 that they may be able to continue receiving a child's benefit after age 18, if they continue to remain eligible, is to make certain that this information is known when they make the decisions related to attending or not attending college. We all make our decisions on the best information that is available. There is no reason why this Government cannot make certain that the best possible information related to college attendance decisions is available.

I have recently corresponded with the Social Security Administration and the Railroad Retirement Board concerning the need for an earlier notification date in their programs. I am pleased that the Railroad Retirement Board has agreed to begin a notification practice similar to that of the Veterans' Administration. I am nevertheless including this amendment. I do this because I want to underscore legislative intent in this area. I also want to make certain that succeeding administrators continue the enlightened practices that will soon be implemented.

Mr. President, these amendments will improve the capacity of these programs to cope with the educational needs of the students which the present programs are designed to serve. I think these changes should be made now. These bills deserve the attention of both Congress and the executive branch.

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

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

The bills (S. 1638) to amend title II of the Social Security Act to extend from 22 to 26 the age limit for the receipt of child's insurance benefits thereunder by individuals attending school, and to permit reduced child's benefits to be paid to individuals attending school on a part-time basis, and (S. 1639) to amend the Railroad Retirement Act of 1937 to extend from 22 to 26 the age limit for the receipt of a child's insurance annuity thereunder by individuals attending school, and to permit a reduced child's insurance annuity to be paid to individuals attending school on a part-time basis, introduced by Mr. MONDALE, were received, read twice by their titles, referred to the Committee on Finance (S. 1638) and the Committee on Labor and Public Welfare (S. 1639), and ordered to be printed in the RECORD, as follows:

S. 1638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 202(d)(1)(B)(i) of the Social Security Act is amended by striking out "full-time student and had not attained the age of 22" and inserting in lieu thereof "qualified student and had not attained the age of 26".

(2) Section 202(d)(1)(E) of such Act is amended by striking out "full-time student" and inserting in lieu thereof "qualified student".

(3) (A) Section 202(d)(1)(F)(i) of such Act is amended by striking out "full-time student" and inserting in lieu thereof "qualified student".

(B) Section 202(d)(1)(F)(ii) of such Act is amended by striking out "22" and inserting in lieu thereof "26".

(4) (A) Section 202(d)(1)(G)(i) of such Act is amended by striking out "full-time student" and inserting in lieu thereof "qualified student".

(B) Section 202(d)(1)(G)(ii) of such Act is amended by striking out "22" and inserting in lieu thereof "26".

(b) Section 202(d)(6) of such Act is amended (1) by striking out "22" each place it appears therein and inserting in lieu thereof "26", and (2) by striking out "full-time student" each place it appears therein and by inserting in lieu thereof "qualified student".

(c)(A)(i) The first sentence of section 202(d)(7)(B) of such Act is amended (I) by striking out "full-time student" and inserting in lieu thereof "full-time student, or part-time student, as the case may be," and (II) by striking out "full-time attendance" each place it appears therein and inserting in lieu thereof "full-time or part-time attendance, as the case may be,".

(ii) The second sentence of section 202(d)(7)(B) of such Act is amended by striking out "full-time attendance" and inserting in lieu thereof "full-time or part-time attendance, as the case may be,".

(B) Section 202(d)(7) of such Act is further amended by adding after subparagraph (C) thereof the following new subparagraphs:

"(D) A 'qualified student' is an individual who—

"(i) is a full-time student or a part-time student, and

"(ii) is determined by the Secretary (in accordance with regulations prescribed by him) to be making satisfactory progress in the courses of study pursued by him in the educational institution in which he is enrolled;

except that no individual who has attained age 22 shall be a qualified student after the date he first becomes eligible for a baccalaureate degree from an educational institution in which he is or has been enrolled.

"(E) A 'part-time student' is an individual who is in attendance at an educational institution (as defined in subparagraph (C)) and is carrying a course load as determined by the Secretary (in accordance with regulations prescribed by him) which, in light of the standards and practices of the institution involved, is not less than one-half the course load which would be carried by a full-time student in such institution, except that no individual be considered as a 'part-time student' if he is paid by his employer while attending an educational institution at the request, or pursuant to a requirement, of his employer."

SEC. 2. Section 203 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Deductions from Child's Benefits of Part-Time Students

"(m)(1) Deductions, at such time or times as the Secretary shall determine, shall be made from any child's insurance benefit (under section 202 (d)) to which an individual is entitled for any month in which such individual is a part-time student (as defined in section 202(d)(7)(E)), if such individual would not have been entitled, under section 202(d), to such a benefit for such month except for the fact that he was a qualified student (as defined in section 202 (d)(7)(D)) during such month. For any month in which such individual is a part-time student carrying a course load in the educational institution in which he is enrolled of not less than three-fourths of a full course load (as determined by the Secretary under regulations prescribed by him), the deduction from the child's benefit of such individual shall be equal to one-fourth of the amount of such child's benefit, and, for any other month, the deduction from the child's benefit of such individual shall be equal to one-half of the amount of such child's benefit.

"(2) An individual referred to in paragraph (1) shall report to the Secretary such information as the Secretary shall by regulations prescribe to enable the Secretary to make deductions from such individual's benefits in accordance with such paragraph.

"(3) Whenever any individual, without good cause, fails or refuses to make any report required pursuant to paragraph (2), the Secretary may (in accordance with regulations prescribed by him for such purpose) make penalty deductions from the child's insurance benefits to which such individual is entitled. Any such penalty deduction shall not exceed the amount of the child's insurance benefit to which such individual is entitled for one month, and not more than one such penalty deduction shall be made for any one such failure or refusal."

SEC. 3. Section 222(b) of the Social Security Act is amended (1) by striking out "22" and inserting in lieu thereof "26", and (2) by striking out "full-time student" and inserting in lieu thereof "qualified student".

SEC. 4. The last sentence of section 225 of the Social Security Act is amended (1) by striking out "22" and inserting in lieu thereof "26", and (2) by striking out "full-time student" and inserting in lieu thereof "qualified student".

SEC. 5. The amendments made by the preceding sections of this Act shall apply with respect to monthly insurance benefits under section 202 of the Social Security Act for months after the month which follows the month in which this Act is enacted; except that, in the case of an individual who was not entitled to a child's insurance benefit under subsection (d) of such section for the month in which this Act is enacted, such amendments shall apply only on the basis of an application filed in or after the month in which this Act is enacted.

SEC. 6. Section 205 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"NOTIFICATION OF RECIPIENTS OF CHILD'S INSURANCE BENEFITS OF PROVISIONS RELATING TO STUDENTS

"(r) The Secretary shall establish and put into effect procedures designed to provide notification to individuals receiving child's insurance benefits under section 202(d) of the provisions of such section relating to eligibility for such benefits in the case of individuals who have attained age 18 and

are qualified students. In the case of individuals who are receiving child's insurance benefits for the month in which they attain the age of 14, such notification shall be provided in such month, or, if that is not feasible, at the earliest time thereafter that is feasible. In the case of individuals who first become entitled to child's insurance benefits for a month after the month in which they attain the age of 14, such notification shall be provided in the month in which they first become entitled to such benefits, or, if that is not feasible, at the earliest time thereafter that is feasible."

S. 1639

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That (a) section 5(1)(1)(ii)(B) of the Railroad Retirement Act of 1937 is amended (1) by striking out "twenty-two" and inserting in lieu thereof "twenty-six", and (2) by striking out "full-time student" and inserting in lieu thereof "qualified student".

(b)(1) The ninth sentence of section 5(1)(1) of such Act is amended to read as follows: "The provisions of paragraph (7) of section 202(d) of the Social Security Act (defining the terms 'full-time student', 'educational institution', 'qualified student', and 'part-time student') shall be applied by the Board in the administration of this section as if the references therein to the Secretary were references to the Board."

(2) The tenth sentence of section 5(1)(1) of such Act is amended (A) by striking out "full-time student" each place it appears therein and inserting in lieu thereof "qualified student", and (B) by striking out "22" and inserting in lieu thereof "26".

(3) The eleventh sentence of section 5(1)(1) of such Act is amended (i) by striking out "twenty-two" and inserting in lieu thereof "twenty-six", and (ii) by striking out "full-time student" and inserting in lieu thereof "qualified student".

(c) Section 5(1)(1) of such Act is further amended by adding at the end thereof the following new sentence: ""The provisions of section 203(m) of the Social Security Act (relating to deductions from child's benefits of part-time students) shall be applied by the Board in the administration of this Act as if the references therein to the Secretary were references to the Board and as if references to individuals receiving a child's insurance benefit were references to individuals receiving a child's insurance annuity."

SEC. 2. The amendments made by the first section of this Act shall be effective with respect to annuities under section 5(c) of the Railroad Retirement Act for months after the month which follows the month in which this Act is enacted; except that in the case of an individual who was not entitled to an annuity under section 5(c) of such Act for the month in which this Act is enacted, such amendments shall apply only on the basis of an application filed in or after the month in which this act is enacted.

SEC. 3. Section 10(b) of the Railroad Retirement Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(7) The Board shall establish and put into effect procedures designed to provide notification to individuals receiving a child's insurance annuity under section 5(c) of the provisions of this Act relating to eligibility for such annuity in the case of individuals who have attained age 18 and are qualified students. In the case of individuals who are receiving a child's insurance annuity for the month in which they attain the age of 14, such notification shall be provided in such month, or, if that is not feasible, at the earliest time thereafter that is feasible. In the case of individuals who first become entitled to a child's insurance annuity for a month after the month in which they attain the age of 14, such notification shall be provided in the month in which they first become entitled to such annuity, or, if that is not feasible, at the earliest time thereafter that is feasible."

S. 1652—INFORMATION OF THE MONOMOY ISLAND NATIONAL WILDLIFE REFUGE ACT

Mr. KENNEDY. Mr. President, the passage of the Wilderness Act of 1964 brought over 9 million acres of forest lands under wilderness status. In addition, Monomoy Island, a small island located off the coast of Cape Cod, has been found by the Bureau of Sport Fisheries and Wildlife to be highly qualified for wilderness preservation, and was the first such area to be proposed for inclusion by the Bureau in accordance with the Wilderness Act.

Last May, my colleague Senator BROOKE and I introduced legislation to make Monomoy Island a national wilderness area. Hearings were held by the Senate Committee on Interior and Insular Affairs, and the bill was passed by the Senate. Unfortunately, the House Interior Committee did not have an opportunity to act before Congress adjourned.

Monomoy is an uninhabited, unspoiled, sparsely vegetated island where dunes and sand flats, meadows and marshes serve as an ideal refuge for wildlife. Monomoy has been managed as a national wildlife refuge since 1944, and has provided enjoyment to fishermen, sportsmen, naturalists, artists, and other outdoor enthusiasts.

Wilderness area status for this 2,600 acre barrier-beach island will aid in preserving forever its unspoiled nature. It would prevent future generations from encroaching upon and spoiling one of the few natural island areas remaining in our country.

Located within a day's drive from the major centers of population in the Northeast, Monomoy Island would be the only wilderness preservation within 200 miles.

Designating the island as a wilderness area would not infringe upon the rights of anyone who presently enjoys the resources available there. No private roads would be allowed; but there are no such roads there now, and the island is unconnected with the mainland. No private landholdings would be allowed; but, at the present time, only 2 acres of the total land area are privately held.

There could not be a more fitting complement to the Cape Cod National Seashore, which I have long supported, than the preservation of Monomoy Island as a wilderness area. It is with particular pleasure that I introduce this bill with Mr. BROOKE to insure the preservation of Monomoy as it is today. Together we join with the people of Chatham and adjoining towns, the elected officials of Barnstable County, the Cape Cod Planning and Economic Development Commission, and other recreation-conservation interests in seeking speedy enactment of this legislation.

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

The bill (S. 1652) to designate certain lands in the Monomoy National Wildlife Refuge, Barnstable County, Mass., introduced by Mr. KENNEDY (for himself and Mr. BROOKE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

S. 1653—INTRODUCTION OF A BILL TO PROVIDE SHIPPERS WITH THE OPPORTUNITY TO RECOVER REASONABLE ATTORNEY'S FEES

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to amend the Interstate Commerce Act to provide for the recovery of a reasonable attorney's fee in the case of successful maintenance of an action to recover damages sustained in the transportation of property.

The purpose of this bill is to put the shipping public, be he a household moving his personal possessions, or a small grain or vegetable shipper, in a more equal bargaining position with carriers in settlement negotiations for recovery of damages sustained in the transportation of property. This bill would accomplish this purpose by permitting a successful shipper in a court suit to recover his attorney's fees under certain circumstances.

Existing law places the small shipper at a disadvantage because his only recourse when the carrier refuses to settle a claim is to proceed with litigation at a cost which often substantially exceeds the claim. The effect is that the shipper as a practical matter finds himself in a poor bargaining position and has no legal recourse of which he can avail himself.

Small shippers throughout this country, whether they be shippers of grain, fruits and vegetables, or manufactured items, are confronted with severe obstacles in collecting damage claims. While every kind of shipment seems to be involved, the problems experienced by shippers of perishables in the handling of delay claims by the eastern railroads, and the problems experienced by grain shippers in the handling of "clear record" cars by the eastern carriers seems to be the most pressing.

Until a few years ago railroads assured shippers that their products would be carried to their destined markets with reasonable dispatch, which the courts have interpreted as meaning "without unreasonable delay."

In 1964, however, the eastern railroads took the position that they would not guarantee delivery of perishable freight at destinations to meet previously agreed upon "cutoff" times. Subsequently the evidence has mounted that service has deteriorated on western perishables moving to eastern markets.

Undue delays in handling perishables impose a hardship not only on the shipper but also on the consumer who is entitled to receive fruit and vegetables fresh and in good condition.

During the 90th Congress the Commerce Committee heard testimony or received statements in support of this legislation from the United Fresh Fruit and Vegetable Association, the Grain and Feed Dealers National Association, the American Feed Manufacturers As-

sociation, the Truck Line Grain and Products Council, the National Industrial Traffic League, the American Farm Bureau Federation, the Society of American Florists and Ornamental Horticulturists, the National Wool Grocers Association, the National Council of Farmer Cooperatives, the Northwest Horticultural Council, the American National Cattlemen's Association, the Southern Traffic League, the Western Growers Association, the National Grange, the Corn Refiners Association, the Western States Meatpackers Association, and the National Independent Meat Packers Association.

The difficulties faced by commercial small shippers are shared by householders who ship their household goods. The Commerce Committee has received letter after letter from householders complaining about the practices of certain household moving companies. The committee is continuing to review this matter. The Chairman of the Interstate Commerce Commission has advised me that the Commission is conducting field investigations of certain moving companies, and is prepared to take action against those carriers who are in violation of the laws or rules or regulations of the Commission. The Commerce Committee will vigorously pursue this matter until those few carriers who believe they can thumb their noses at the moving public have changed their practices. This bill should provide some relief to householders on one of the important problems, the settlement of claims for damage.

If a carrier refuses to honor a legitimate claim of a shipper, the shipper will no longer in practical effect be precluded from bringing a court action by the cost of attorney's fees which may far exceed the amount of the damage claim. In addition, in my opinion, the measure will provide an economic incentive to the carriers to offer just settlements and fair claim handling practices to the public.

This measure provides that if the plaintiff shall finally prevail in a property damage claim action, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the suit. This is the language we have sought for many years to enact into law. The Senate Commerce Committee reported an amended version of this bill last year. I am hopeful that the 91st Congress will finally enact this much needed legislation.

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

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

The bill (S. 1653) to amend the Interstate Commerce Act, with respect to recovery of a reasonable attorney's fee in case of successful maintenance of an action for recovery of damages sustained in transportation of property, introduced by Mr. MAGNUSON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 1653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 11 of section 20 of the Interstate Commerce Act (49 U.S.C., sec. 20, par. 11) is amended by inserting at the end of the fifth proviso and immediately before the sixth proviso the following: *"And provided further,* That if the plaintiff shall finally prevail in any action, he shall be allowed a reasonable attorney's fee, to be taxed and collected as part of the suit:".

SENATE JOINT RESOLUTION 83—INTRODUCTION OF A JOINT RESOLUTION PROVIDING FOR MEMBERSHIP AND PARTICIPATION BY THE UNITED STATES IN THE PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, an amendment to a joint resolution providing for membership and participation by the United States in the Pan American Institute of Geography and History.

The proposed amended joint resolution has been requested by the Assistant Secretary of State for Congressional Relations and I am introducing it in order that there may be a specific resolution to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this resolution, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the amended joint resolution be printed in the RECORD at this point, together with the letters from the Assistant Secretary of State dated January 16 and March 13, 1969, and the memorandum accompanying the proposed amendment.

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

The joint resolution (S.J. Res. 83) to amend the joint resolution authorizing appropriations for the payment by the United States of its share of the expenses of the Pan American Institute of Geography and History, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S.J. RES. 83

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 89-646, Eighty-ninth Congress, approved October 13, 1966, is amended by striking out "$90,300" and inserting in lieu thereof "$200,000" in Section (1) and adding "(3) the sum of $386,050 for payment by the United States of its assessed annual contributions for the period beginning July 1, 1964 and extending through the fiscal year expiring June 30, 1969."

The letters and memorandum, presented by Mr. FULBRIGHT, are as follows:

DEPARTMENT OF STATE,
Washington, D.C., March 13, 1969.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The draft legislation concerning the Pan American Institute of Geography and History (copy enclosed) which was referred to your Committee on January 21, 1969, has been favorably reviewed by the Department of State in the light of the policies of the present Administration. It would be greatly appreciated if the proposed legislation could be given early consideration.

The Department has been advised by the Bureau of the Budget that from the standpoint of this Administration's program, there is no objection to the submission of this letter reaffirming our support for this proposal.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations.

DEPARTMENT OF STATE,
Washington, January 16, 1969.

Hon. HUBERT H. HUMPHREY,
President of the Senate, Washington, D.C.

DEAR MR. VICE PRESIDENT: I submit herewith a proposed draft amendment to the Joint Resolution as previously amended, providing for membership and participation by the United States in the Pan American Institute of Geography and History.

S.J. Res. 108, enacted as PL 89-646, raised the authorization for the annual United States contribution to the Institute from $50,000 to $90,300. It also provided for financing the activities of the United States National Section of the Institute. Although the legislation provided for a higher contribution than previously permitted, the authorization still fell short of the full United States assessment of $151,350.

The $200,000 authorization provided for in the accompanying legislative proposal would enable the United States to pay in full its current annual quota assessment in the Pan American Institute of Geography and History. This figure is based on the Institute's present financial requirements plus a margin to cover anticipated wage and price increases over the next five years estimated at 4 to 5 percent per annum. The margin would eliminate the necessity for annual requests for new legislation to enable the United States to pay its assessment, yet would maintain a ceiling that would require legislative approval in the event of any appreciable program increase.

The proposed legislation would authorize payment of United States arrearages to the Pan American Institute of Geography and History in the amounts of $101,550 for fiscal year 1965, $101,350 for fiscal year 1966 and $61,050 for fiscal years 1967, 1968 and 1969.

A memorandum describing the Institute, its work and the proposed draft amendment is enclosed.

The Department was advised by the Bureau of the Budget on January 16, 1969 that from the standpoint of the Administration's program, there is no objection to the submission of this proposal to the Congress for its consideration.

Sincerely yours,
WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations.

MEMORANDUM TO ACCOMPANY PROPOSED AMENDMENT TO THE JOINT RESOLUTION PROVIDING FOR MEMBERSHIP OF THE UNITED STATES IN THE PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

The Pan American Institute of Geography and History was created by a resolution of the Sixth International Conference of American States in 1928. In 1949 it entered into

an agreement with the Organization of American States, whereby it became an inter-American specialized organization. It is composed of twenty-one member countries of the OAS (present government of Cuba excluded from participation) and Canada. Operating through a General Secretariat, three Commissions (representing all members), and a large number of committees, subcommittees and working groups, the Institute draws together the efforts of over 400 geographers, cartographers and historians. The United States has played a leading role in the Institute since joining in 1935, and a prominent United States geographer, Dr. Arch C. Gerlach, is currently First Vice President.

The Institute activities are carried out through a small headquarters secretariat in Mexico City, very small Commission staffs in Buenos Aires, Rio de Janeiro, and Mexico City, National Commissions of the member countries and elected officers of the Institute. Its work consists of promoting and publishing studies, meetings and occasional field projects in cartography, geography, history, and in the geophysical sciences. Its meetings and publications serve member government agencies by providing a means for the exchange of technical information, developing scientific studies requested by the member governments, securing agreement on standards and symbols for use in maps, organizing cooperative regional projects, and publication of historical studies.

The Institute's recent accomplishments include completion of a geodetic network tie between Argentina and Chile, advisory services rendered to the Dominican Republic concerning natural resource development, advisory service given to Costa Rica during the eruption of the volcano, "El Arenal", the holding of photointerpretation courses in Mexico and the organization of many seminars and meetings. The Institute has been extremely active in organizing regional projects requiring the cooperation of specialists from various member governments. The Institute has played an important role in the Hemisphere, in that it has filled the need for an *inter*-American agency to carry out activities which are multinational in nature.

Of immediate pertinence to the budget increase adopted by the Directing Council for fiscal years 1965 through 1969 is the Institute's proposal to undertake, as funds become available, more than a score of specific projects which will directly benefit the economies and the technical capabilities of the member states. Illustrating the types of projects to be given priority are the following: geographic studies of renewable natural resources, pilot study of sub-Andean valleys, special subject maps (population, land use, climatic phenomena, transportation, etc.), exchanges of teachers and students, extension of geodetic control networks, rectification of leveling in Southern Chile, and magnetic determinations in Central America.

In recent years, the Institute has developed its work to a point where additional resources can be used with good effect. In Fiscal Year 1965, the annual budget was increased to $250,000 and an assessment system based on the "Pan American Union formula", modified by the inclusion of Canada, was adopted. PL 89-646 of the 89th Congress gave partial recognition to this change by raising the dollar authorization of the annual United States contribution to the Institute from $50,000 to $90,300. This figure was arrived at by applying the new percentage (although 60.2 percent was used rather than the actual assessment percent for that year of 60.62) to the former annual budget of $150,000. Because an invalid percentage figure and an outdated budget total were used in setting the present authorization, the United States is unable to meet the full United States assessment of $151,350.

The $200,000 authorization provided for in the accompanying legislative proposal would enable the United States to pay in full its current annual quota assessment in the Pan American Institute of Geography and History. This figure is based on the Institute's present financial requirements plus a margin to cover anticipated wage and price increases over the next five years estimated at 4 to 5 percent per annum. The margin would eliminate the necessity for annual requests for new legislation to enable the United States to pay its assessment, yet would maintain a ceiling that would require legislative approval in the event of any appreciable program increase. The proposed legislation would also authorize payment of United States arrearages to the Pan American Institute of Geography and History in the amounts of $101,550 for Fiscal Year 1965, $101,350 for Fiscal Year 1966, and $61,050 for Fiscal Years 1967, 1968 and 1969. The payment of these arrearages would enable the Institute to carry out certain non-continuing projects already approved but held up for lack of funds.

The Department of State believes that experience over the past years has demonstrated that the Institute is an effective instrument for promoting scientific research development throughout Latin America, and that passage of the proposed legislation would give the Institute an opportunity to implement a series of valuable projects. The Institute's technical activities contribute to the general economic development of the area by disseminating information and techniques. The Institute, with its Hemisphere-wide membership and support among professionals, stimulates scientific progress in Latin America and furnishes a useful complement to the larger United States programs of technical and financial assistance.

SENATE JOINT RESOLUTION 84—INTRODUCTION OF A JOINT RESOLUTION RELATING TO A NEW POLICY FOR U.S. TERRITORIAL WATERS

Mr. GRIFFIN. Mr. President, on behalf of myself and a number of cosponsors, I introduce, for appropriate reference, a joint resolution to revise the policy of the United States with respect to our territorial limits. Joining with me as cosponsors of this resolution are Senators ALLOTT, BENNETT, BIBLE, BOGGS, COTTON, DODD, DOMINICK, EASTLAND, FONG, GURNEY, HANSEN, HRUSKA, JORDAN of Idaho, MANSFIELD, MILLER, MONTOYA, MUNDT, MURPHY, NELSON, PERCY, PROUTY, RANDOLPH, SCHWEIKER, THURMOND, and YOUNG of North Dakota.

I introduced a similar resolution last year, and, at that time, remarked:

> Mr. President, in the wake of the *Pueblo* incident, a serious question arises as to the wisdom of maintaining only a 3-mile jurisdictional limit off our shores—while most Communist nations insist upon 12 miles.
>
> It is about time we changed our policy and insisted upon reciprocity. It makes no sense to allow Communist ships within 3 miles of our shores while we carefully observe the 12-mile limit claimed by Communist-bloc countries.
>
> The *Pueblo* affair only underscores the fact that for a long time we have been handing the Communists a significant espionage advantage.

Mr. President, I propose that the United States lay down a new policy with respect to our territorial waters, based on the principle of mutuality. We should notify nations such as Russia and North Korea that, so long as they claim a 12-mile limit, we shall insist that their ships stay at least 12 miles from our shoreline.

At the same time, our traditional 3-mile limit should continue to apply to those countries which reciprocate by recognizing a 3-mile limit as to their own territorial waters.

Mr. President, although our Nation adheres to the traditional 3-mile limit for purposes of sovereign territorial jurisdiction, the United States asserts exclusive fishing rights in waters extending 9 miles beyond. Thus, the United States claims a 12-mile limit for the purposes of our own domestic fishing industry.

Recent events have emphasized the need for a reexamination of the present policy with respect to our territorial waters—particularly in light of our claimed 12-mile fishing zone.

Illustrative of the problem is the fact that, on February 8, the Coast Guard intercepted a fleet of 60 Communist-bloc fishing trawlers off the Virginia coast. The trawlers had been observed fishing within our claimed territorial fishing waters. No action was taken against these vessels other than to warn them that a further violation of our 12-mile fishing zone would subject the vessels to boarding and seizure.

Perhaps the ludicrous nature of our present policy is best illustrated by the simple fact that, had these 60 vessels been "spying" rather than fishing, they could have moored with immunity but 3 miles off our shore.

On February 15, a U.S.-owned tuna boat was hit by more than 50 bullets by a Peruvian gunboat while fishing 26 to 50 miles from the coast of Peru. Peru and its coastal neighbors claim exclusive control over adjacent waters extending 200 miles into the Pacific.

As the New York Times commented on February 17, 1969:

> The fishing boat incidents last week were merely the latest explosions in a long series arising from the claim by Peru and its coastal neighbors to exclusive control over adjacent waters extending 200 miles into the Pacific. This is an extremely serious international question which transcends the immediate grievances of American fishermen.

And just last week, Peru again seized two American tuna boats, which were fishing 50 miles from its coast. The boats were released only after paying $2,000 fines.

This most recent incident certainly underscores the need for a new international agreement respecting territorial waters. The New York Times concluded on February 17, 1969, that—

> [t]hese problems can only be solved by international agreement through the United Nations. The sooner this is done the better.

Mr. President, section 3 of the resolution reflects the sense of Congress that the President should take appropriate steps, through the United Nations or other means, to convene an international conference for still another attempt to establish a uniform seaward limit to be recognized by all nations of the world. As in the past, I believe we should continue to seek such an agreement despite the fact that past efforts have been less than successful.

In 1958 and 1960, international conferences were held in Geneva. Although the participating nations failed to reach agreement on a uniform territorial limit,

significantly, there were indications of a general consensus that no nation should claim a territorial limit in excess of 12 miles.

Mr. President, the joint resolution offered today is consistent witn customary principles of international law. I believe the joint resolution, if adopted, will encourage further international negotiation looking toward agreement on this fundamental issue.

But until such time as international agreement is reached, there is no justification for blind adherence on our part to a rigid policy which no longer serves our national interests.

The fact is that our 3-mile limit has become an open invitation to espionage—a giveaway intelligence advantage for our adversaries.

There are those who will argue that the 3-mile limit is sacrosanct. But in fact this policy is not a declared or customary rule of international law.

In his text, "International Law," Prof. D. P. O'Connell writes as follows:

The most that can be said is that the 3-mile limit is not a rule of customary international law at the present time for the adequate reason that not sufficient maritime states adhere to it. Indeed, it is doubtful if it ever was one.

In surveying a compilation of practice throughout the world, it becomes quite clear why the 3-mile limit lacks the character of law. Only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The rest all insist upon wider territorial waters, with the largest number of countries claiming 12 miles. In fact, at the present time, a plurality of coastal nations adhere to a 12-mile limit.

Mr. President, even if the resolution introduced today is not a perfect answer, it is, at least, a constructive step in the right direction focusing attention upon the need to reshape our present policy.

Mr. President, there can be little question that uniformity and agreement among coastal nations has been a contributing factor in precipitating a number of international incidents. It is interesting, for example, that Secretary of Defense Robert McNamara, in his testimony concerning the Gulf of Tonkin incidents before the Senate Foreign Relations Committee, made the following statement:

Prior to the first attack, on August 2, the *Maddox* had been engaged on its patrol since July 31. At no time during the conduct of this patrol did the *Maddox* depart from international waters. It had been instructed to approach the North Vietnamese coastline no closer than 8 nautical miles and any offshore island no closer than 4 nautical miles. *Maddox* adhered scrupulously to these instructions. When the patrol resumed with *Maddox* and *Turner Joy*, the ships were instructed to remain *at least 11 miles from the coast.* (emphasis added) The United States recognizes no claim of a territorial sea in excess of three miles. . . .

Subsequent to the Gulf of Tonkin incidents, North Vietnam stated that its "territorial sea is 12 miles."

I do not wish to reopen the question whether the *Maddox* and *Turner Joy* were within North Vietnam's territorial waters—or whether the United States was wise in acknowledging only a 3-mile claim. But it is significant that after recognizing only a 3-mile limit in the case of North Vietnam, we later observed, in connection with the *Pueblo* incident, a claim by North Korea of a 12-mile limit.

The objective of my resolution is to correct—or at least contribute to the correction of—a state of confusion.

Mr. President, I ask unanimous consent that the text of the joint resolution as well as my three earlier statements on it be printed in the RECORD.

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

The joint resolution (S.J. Res. 84) to declare the policy of the United States with respect to its territorial sea, introduced by Mr. GRIFFIN (for himself and other Senators), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

S.J. RES. 84

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the territorial sea of the United States is hereby established as extending three nautical miles from the coastline of the United States: *Provided,* That in the case of any coastal country (including ships and nationals thereof) which claims a territorial sea extending more than three nautical miles from its coastline, the territorial sea of the United States shall be equal in distance to that claimed by such other country, but not to exceed twelve nautical miles. Any extension of the territorial sea beyond three nautical miles pursuant to this section shall not result in any extension of the fisheries zone established pursuant to the Act entitled "An Act to establish contiguous fishery zone beyond the territorial sea of the United States", approved October 14, 1966 (80 Stat. 908).

SEC. 2. If the President of the United States determines that any portion of the territorial sea as extended by this joint resolution conflicts with the territorial sea of another country he may make such modifications in the seaward boundary of such portion as may be necessary.

SEC. 3. It is the sense of the Congress that the President of the United States consider taking appropriate initiative through his representative at the United Nations, or through other means, to convene an international conference for the purpose of establishing a universally recognized seaward boundary for the territorial seas of all coastal countries.

The statements, presented by Mr. GRIFFIN, are as follows:

[From the CONGRESSIONAL RECORD, Jan. 31, 1968]

THE "PUEBLO" AND THE 3-MILE LIMIT

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

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

Mr. GRIFFIN. Mr. President, in the wake of the *Pueblo* incident, a serious question arises as to the wisdom of maintaining only a 3-mile jurisdictional limit off our shores—while most Communist nations insist upon 12 miles.

It is about time we changed our policy and insisted upon reciprocity. It makes no sense to allow Communist ships within 3 miles of our shores while we carefully observe the 12-mile limit claimed by Communist-bloc countries.

The *Pueblo* affair only underscores the fact that for a long time we have been handing the Communists a significant espionage advantage.

Mr. President, I propose that the United States lay down a new policy with respect to our territorial waters, based on the principal of mutuality. We should notify nations such as Russia and North Korea that, so long as they claim a 12-mile limit, we shall insist that their ships stay at least 12 miles from our shoreline.

At the same time, our traditional 3-mile limit should continue to apply to those countries which reciprocate by recognizing a 3-mile limit as to their own territorial waters.

Mr. President, I am currently preparing legislation which would give effect to such a change in U.S. policy.

It is true, Mr. President, that our Nation has observed the 3-mile limit since the days of President Jefferson. The United States has long stood in the forefront of those promoting the ideal of freedom of navigation and freedom of the seas. Throughout history, the 3-mile limit has been the most generous accommodation to the interests of other maritime powers.

But there is no justification for blind adherence on our part to a rigid policy which no longer serves our national interests.

The fact is that our 3-mile limit has become an open invitation to espionage—a giveaway intelligence advantage for our adversaries.

There are those who will argue that the 3-mile limit is a sacrosanct. But in fact, this policy is not a declared or customary rule of international law.

In his text, "International Law," Prof. D. P. O'Connell writes, as follows:

"The most that can be said is that the three-mile limit is not a rule of customary international law at the present time for the adequate reason that not sufficient maritime states adhere to it. Indeed, it is doubtful if it ever was one."

In 1958 and 1960, international conventions at Geneva were unable to agree on a uinform, universal norm as to the extent of the territorial sea. They did succeed, however, in establishing that a country's exclusive jurisdiction should not extend beyond 12 miles.

In surveying a compilation of practice throughout the world, it becomes quite clear why the 3-mile limit lacks the character of law. Only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The rest all insist upon wider territorial waters, with the largest number of countries claiming 12 miles.

Mr. President, I have in hand a country-by-country survey on this question, and I ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRIFFIN. Mr. President, the intelligence advantage enjoyed by the Russians becomes evident when we examine the nature and activities of the Soviet spy fleet, which is composed of more than 30 trawler-type vessels.

Russian ships now work so close to our shoreline that they nearly scrape bottom.

Their crews can augment intelligence data gathered electronically with visual and photographic evidence.

Mr. President, I am talking about Soviet AGI activity. Translated, AGI means "naval auxiliary, intelligence collector."

The Soviet AGI is a trawler-type ship especially configured for intelligence collection—primarily electronic intelligence. This is not a fishing vessel or an oceanographic survey ship, although fishing sometimes is used as a convenient cover.

The collection of intelligence is the sole mission of these ships. They have sophis-

ticated, extensively electronic equipment—and they are readily recognizable.

At least since August 1956, the Soviets have utilized AGI's in intelligence collection operations against U.S. naval bases, individual ships, and carrier task groups. They have continually expanded these operations to include any area of U.S. naval activity as well as both the east and west coasts of the United States plus world trouble spots.

AGI's are attached to each of the four Soviet fleets—North, Baltic, Black Sea, and Pacific.

Mr. President, I think it is of interest to note the characteristics of the AGI.

Their size and capabilities vary according to class. The size in gross registered tons is between 265 and 700 tons. The speed varies between 8 and 16 knots. The average length of the ships is 165 feet.

The AGI's have distinctive identification features. They are bristling with antenna installations, electronic intercept antennas, radomes, direction-finding antennas often more than one radar, and numerous communication whip and dipole antennas.

They have the capability to remain on station 30 to 60 days without replenishing. Deployments often last as long as 3 to 4 months.

Their mission is to collect intelligence on U.S. naval units and tactics, communications and radar frequencies, shore-based signals and missile launching sites, and flight patterns of early warning aircraft.

And, Mr. President, permit me to stress a point about the personnel of the AGI. Unlike our men on the *Pueblo* who wore Navy uniforms, the Soviet AGI personnel normally wear civilian clothing.

Mr. President, permit me to turn now to the specific locations of the operations of Soviet AGI trawlers. They have certain continuously manned stations and provide continuous intelligence collection operations offshore from a number of U.S. naval submarine installations throughout the world. These installations include the east coast of the United States, particularly Charleston, S.C.; Rota, Spain; the British Isles vicinity of Holy Loch, Scotland, and Guam.

The AGI manned stations also provide continuous intelligence collection operations in the South China Sea where the United States conducts carrier operations off Vietnam, and the Mediterranean Sea where the U.S. 6th Fleet is in operation.

Additionally, the AGI provides periodic coverage of the U.S. west coast and Hawaii.

Needless to say, Mr. President, these AGI trawlers report to the Union of the Soviet Socialist Republics all the information they can obtain, particularly on the movements of aircraft carriers and Polaris submarines.

There also is another important aspect of AGI operations.

Soviet naval ships, and AGI's in particular, have been guilty of numerous incidents of harassment of U.S. Navy units in the open sea.

In 1 year alone, 1965, AGI's were involved in 16 harassing episodes.

Mr. President, I have the details of nine specific harassment incidents which have occurred since 1961, and I request that this material be placed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. GRIFFIN. Mr. President, what I have related here should leave no doubt as to the advantage which our 3-mile limit hands to Soviet intelligence efforts. I believe our commitment to the 3-mile limit is outmoded in an age of electronic wizardry—especially when the nations which penetrate our shores for undercover work apply different ground rules to our vessels.

It is high time to recognize, Mr. President, that we need a new policy—one which is based upon mutuality—one which is realistic and serves our national interest.

"EXHIBIT 1

"BREADTH OF TERRITORIAL SEA AND FISHING JURISDICTION CLAIMED BY MEMBERS OF THE UNITED NATIONS SYSTEM

"The following information is based on the synoptical tables concerning the breadth and juridical status of the territoral sea and adjacent zones prepared for the 1958 and 1960 Geneva Law of the Sea Conferences, and additional information available to the Department of State (April 1, 1967).

"Country	Territorial sea	Fishing limits	Other
AFRICA			
Algeria	12 miles	12 miles	
Biafra (Eastern Nigeria) (June 8, 1967).	12 miles, all purposes.		
Botswana	No coast		
Burundi	do		
Cameroon	18 miles	18 miles	
Central African Republic	No coast		
Chad	do		
Congo (Brazzaville)	Not available		
Congo (Kinshasa)	do		
Dahomey	3 miles	12 miles	May also apply to territorial sea.
Ethiopia	12 miles	do	
Gabon	do	do	
Ghana	do	do	Undefined protective areas may be proclaimed seaward of territorial sea, and up to 100 miles seaward of territorial sea may be proclaimed fishing conservation zone.
Guinea	130 miles	130 miles	
Ivory Coast	6 miles	12 miles	
Kenya	3 miles	3 miles	
Lesotho	No coast		
Liberia	12 miles	12 miles	
Libya	do	do	
Malagasy Republic	do	do	
Malawi	No coast		
Mali	do		
Mauritania	12 miles	12 miles	
Morocco	3 miles	do	Exception 6 miles for Strait of Gibraltar.
Niger	No coast		
Nigeria	12 miles	12 miles	
Rwanda	No coast		
Senegal	6 miles	6 miles	Plus 6 miles contiguous zone.
Sierra Leone	12 miles	12 miles	
Somali Republic	do	do	
South Africa	6 miles	do	
Sudan	12 miles	do	
Tanzania	do	do	
The Gambia	3 miles	3 miles	
Togo	12 miles	12 miles	
Tunisia	6 miles	do	Territorial sea follows the 50-meter isobath for part of the coast (maximum 65 miles).
Uganda	No coast		
United Arab Republic	12 miles	12 miles	
Upper Volta	No coast		
Zambia	do		
EAST ASIA AND PACIFIC			
Australia	3 miles	Decision announced for 12 miles fishery limits.	
Burma	12 miles	12 miles	
Cambodia	5 miles	do	Continental Shelf to 50 meters, 9 including sovereignty over superjacent waters.
China	3 miles	3 miles	
Indonesia	12 miles	12 miles	Archipelago concept baselines.
Japan	3 miles	3 miles	

Footnotes at end of table.

"Country	Territorial sea	Fishing limits	Other
EAST ASIA AND PACIFIC—Continued			
Korea	Not available	20 to 200 miles	Continental Shelf, including sovereignty over superjacent waters.
North Korea	12 miles		
Laos	No coast		
Malaysia	3 miles	3 miles	
Mongolia	No coast		
New Zealand	3 miles	12 miles	
Philippines			Waters within straight lines joining appropriate points of outermost islands of the archipelago are considered internal waters; waters between these baselines and the limits described in the Treaty of Paris, Dec. 10, 1898, the United States-Spain Treaty of Nov. 7, 1900, and United States-United Kingdom Treaty of Jan. 2, 1930, are considered to be the territorial sea.
Singapore	Not available		
Thailand	12 miles	12 miles	
Vietnam	Not available	20 kilometers (10.8 miles).	
EUROPE			
Albania	10 miles	12 miles	
Austria	No coast		
Belgium	3 miles	12 miles [1]	
Bulgaria	12 miles	do	
Byelorussia S.S.R.	No coast		
Czechoslovakia	do		
Denmark	3 miles	12 miles [1]	
Greenland		do	
Faroe Islands		do	
Federal Republic of Germany.	3 miles	(2)	
Finland	4 miles	4 miles	
France	3 miles	12 miles [1]	
Greece	6 miles	6 miles	
Holy See	No coast		
Hungary	do		
Iceland	Not available	12 miles	
Ireland	3 miles	do [1]	
Italy	6 miles	do [1]	
Luxembourg	No coast	(2)	
Malta	3 miles	3 miles	
Monaco	Not available		
Netherlands	3 miles	(2)	
Norway	4 miles	12 miles	
Poland	3 miles	3 miles	
Portugal	No claims	12 miles [1]	
Rumania	12 miles	do	
Spain	6 miles	do [1]	
Sweden	4 miles	do [1]	
Switzerland	No coast		
Ukrainian S.S.R.	12 miles	12 miles	
U.S.S.R.	do	do	
United Kingdom	3 miles	do [1]	
Oversea areas	do	3 miles	
Yugoslavia	10 miles	10 miles	

"Country	Territorial sea	Fishing limits	Other
NORTH AMERICA			
Canada	3 miles	12 miles	
United States	do	do	
SOUTH AND CENTRAL AMERICA AND CARIBBEAN			
Argentina (Dec. 29, 1966)	200 miles	200 miles	Continental Shelf, including sovereignty over superjacent waters.
Barbados	Not available		
Bolivia	No coast		
Brazil	6 miles	12 miles	
Chile	50 kilometers	200 miles	
Colombia	6 miles	12 miles	
Costa Rica	3 miles		"Specialized competence" over living resources to 200 miles.
Cuba	do	3 miles	
Dominican Republic	do	15 miles	
Ecuador	200 miles	200 miles	
El Salvador	do	do	
Guatemala	12 miles	12 miles	
Guyana	Not available		
Haiti	6 miles	6 miles	
Honduras	12 miles	12 miles	
Jamaica	3 miles. Decision announced for 12 miles territorial sea.		
Mexico	9 miles	12 miles	
Nicaragua	3 miles	200 miles	Continental Shelf, including sovereignty over superjacent waters.
SOUTH AND CENTRAL AMERICA AND CARIBBEAN—Continued			
Panama	200 miles	do	Continental Shelf, including sovereignty over superjacent waters.
Paraguay	No coast		
Peru	200 miles	200 miles	
Trinidad and Tobago	3 miles	3 miles	
Uruguay	6 miles	12 miles	
Venezuela	12 miles	do	
SOUTH ASIA AND NEAR EAST			
Afghanistan	No coast		
Ceylon	6 miles	6 miles	Claims right to establish conservation zones within 100 nautical miles of the territorial sea.
Cyprus	12 miles	12 miles	
India	6 miles	100 miles	
Iran	12 miles	12 miles	
Iraq	do	do	
Israel	6 miles	6 miles	
Jordan	3 miles	3 miles	
Kuwait	12 miles	12 miles	
Lebanon	Not available	6 miles	
Maldive Islands	do	do	
Nepal	No coast		
Pakistan	12 miles	12 miles	Plus right to establish 100-mile conservation zones
Saudi Arabia	do	do	
Syria	do	do	Plus 6 miles "necessary supervision zone."
Turkey	6 miles	do	
Yemen	12 miles	do	

[1] Parties to the European Fisheries Convention which provides for the right to establish 3 miles exclusive fishing zone seaward of 3-mile territorial sea plus additional 6-mile fishing zone restricted to the convention nations.

[2] Signatories of the European Fisheries Convention.

"EXHIBIT 2

"SOVIET AGI HARASSMENTS

"1. Vega incident—AGI Vega nearly collided with a U.S. destroyer off of Long Island when the Soviet vessel attempted to recover a Polaris exercise missile which had been fired by the FBM submarine *George Washington*.

"2. Fall of 1961, AGI's monitored the North American Air Defense Command's Skyshield II exercises.

"3. 7 February 1965—AGI *Vertikal* approached the USNS survey ship *Dutton* from astern while the *Dutton* was engaged in oceanographic survey. *Vertikal* came within 75 feet and purposely severed *Dutton's* magnetometer cable.

"4. 20 May 1965—AGI *Reduktor* turned toward and closed the FBM submarine USS *Andrew Jackson* when she was returning to port. *Reduktor* passed down *Jackson's* starboard side at 150 yards then fell in astern and followed at 500 yards for 5 minutes. She then increased speed and passed up *Jackson's* port side.

"5. December 1965—AGI *Gidrofon* was involved in six separate harassing incidents against U.S. naval units operating off Vietnam in the South China Sea. Harassing tactics were employed against carriers involved in flight operations, units alongside and replenishing underway, and ships involved in submarine exercises. These gross actions resulted in a stiff note of protest to the Soviet Government from the U.S. Government.

"6. In February 1966 the AGI *Repiter* monitored the U.S. amphibious exercises held at Vieques Island.

"7. In April 1966 the AGI *Ekholot* took station on the carrier *Independence* while it was conducting flight operations and was able to observe and monitor a complete aircraft launch and recovery sequence. Two months later, in June, the *Ekholot* trailed and monitored the amphibious task group participating in Exercise Beach Time while enroute to the Vieques exercise area. The *Ekholot* even managed to pass through the entire formation.

"8. 24 June 1966—Soviet AGI *Anemometr* forced a collision with USS *Banner* (AGER) while harassing *Banner* in the Sea of Japan.

"9. 18 December 1967—Soviet AGI *Gidrofon* caused a collision with USS *Abnaki* which was shielding a US aircraft carrier from *Gidrofon's* attempts to cut across the carrier's bow. This took place in the Gulf of Tonkin.

"Such activities are highly dangerous to both ships and personnel; they evidence poor seamanship and a flagrant disregard for the International Provisions for Prevention of Collision at Sea (Rules of the Road). United States naval ships have been directed to adhere to these rules and strictly comply with them in any encounter with Soviet AGIs. The rights and privileges of the AGIs have been scrupulously observed."

[From the CONGRESSIONAL RECORD, Feb. 5, 1968]

A NEW POLICY FOR U.S. TERRITORIAL WATERS

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

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

Mr. GRIFFIN. Mr. President, on behalf of myself and a number of cosponsors, I introduce, for appropriate reference, a joint resolution to revise the policy of the United States with respect to our territorial limits. Many Senators have indicated that they wish to join me in sponsoring the resolution. At this point, they are: Senators ALLOTT, BENNETT, BIBLE, BOGGS, CASE, CARLSON, COTTON, DODD, DOMINICK, EASTLAND, FONG, HANSEN, HRUSKA, JORDAN of Idaho, LAUSCHE, MANSFIELD, MCGOVERN, MCINTYRE, MILLER, MUNDT, MURPHY, NELSON, PERCY, PROUTY, RANDOLPH, SPONG, THURMOND, and YOUNG of North Dakota.

Mr. President, since the days of President Thomas Jefferson, we have traditionally recognized a 3-mile territorial limit off our shores. As a leading advocate of freedom of the seas, the United States has gone to great lengths to try to promote among all the nations of the world recognition of the 3-mile limit.

Of course, the United States and other nations often apply different standards with respect to customs authority, fishing rights and natural resources. But, as I said on the floor of the Senate last Wednesday, a serious question arises in the wake of the *Pueblo* incident—a question as to the wisdom of maintaining our traditional 3-mile limit with respect to all nations of the world while most of the Communist nations claim—and we dutifully observe—a 12-mile limit as to their shores.

In my view, it makes no sense to allow the ships of Communist nations to come to within 3 miles of our shores, while they, the Communist nations, insist that we stay 12 miles from their shores.

I believe it is about time that we changed our policy and brought more realism into this basic area of international relations. The joint resolution offered today is one step in that direction.

In essence, the joint resolution provides that our traditional 3-mile limit will be continued but only as to those nations which reciprocate by also observing a 3-mile limit with respect to their shores; and nations which claim a wider territorial limit as to their shores will henceforth be expected to observe a corresponding territorial limit with respect to our shores, up to 12 miles.

It should be noted that the resolution does not purport to change the policy on territorial limits of any nation other than the United States. Of course, there would be no way that we could do so by such a resolution. But our insistence upon some reciprocity may well encourage the adoption of fair and mutual standards.

In matters of this kind, I believe we have the right to expect reciprocity. As the majority leader, the distinguished Senator from Montana (Mr. MANSFIELD), said in endorsing the purpose of the joint resolution last week:

"We ought to operate on a tit-for-tat basis."

If we follow the advice of the Senator from Montana in this respect, I am convinced that we would command much more respect around the world.

Throughout our history, the United States has observed the 3-mile limit. But that is no justification for blind, rigid, adherence to a policy which falls short of serving our national interest.

Mr. President, in my remarks to the Senate last Wednesday, I undertook to point out the significant intelligence advantage which is handed to the Communist bloc by our present policy.

In a nationwide television appearance yesterday, Secretary of State Dean Rusk remarked that the Soviet Union now has some

18 intelligence ships scattered around the world, some of them operating close to our own coasts.

Based on information which has come to my attention, I would venture to observe that the Secretary of State was being extremely conservative, because I understand that the number of Soviet ships performing an espionage function is probably closer to 30.

Mr. President, I wish to focus attention upon section 3 of the resolution which expresses the sense of Congress that the President consider taking appropriate steps, through the United Nations or other means, to convene an international conference for still another try to establish a uniform seaward limit to be recognized by all nations of the world. As in the past, I believe we should continue to seek agreement among the nations of the world upon an uniformly recognized territorial limit.

In 1958 and 1960, such international conferences were held in Geneva, but they failed to reach agreement, although there was an understanding that no nation should claim a territorial limit in excess of 12 miles.

The joint resolution offered today is consistent with the customary principles of international law. I believe that the joint resolution, if passed, will encourage further international negotiation looking toward agreement on this fundamental issue.

I wish to emphasize that the joint resolution is in no way offered as a substitute for the commendable efforts underway to obtain release of the U.S.S. *Pueblo* and its crew. In light of these efforts and other considerations, the appropriate committees and the leadership would have to judge as to when such a joint resolution might properly be considered and brought to a vote in the Senate.

The resolution may not be perfect in every respect but I believe it should, at the very least, serve to focus attention upon the need to reshape our policy. In addition, I confidently believe that the resolution will serve to strengthen the President's hand at this critical hour.

I am glad to say that I have already received assurances from the chairman of the Committee on Foreign Relations, the distinguished Senator from Arkansas [Mr. FULBRIGHT], that this committee will give the proposed legislation sympathetic consideration.

Mr. BOGGS. Mr. President, I am happy to join as a cosponsor in this resolution to establish a principle of mutuality concerning our territorial waters and the territorial waters of other nations.

It seems only fair and logical that we should require other nations to respect our shores to the same degree that they require us to respect theirs. The most obvious result of the institution of this territorial limitation by the United States would be to require that Russia keep its ships at least 12 miles from our shores, since that is the limit which Russia requires us to maintain.

While the 3-mile limit has been traditional with our Nation and has been maintained since the early 19th century, it is a fact worth noting that only 29 out of 98 nations with a coastline are now observing the 3-mile territorial limit. The remainder have wider limitations, and most of these are 12 miles.

While passage of this resolution would have no effect on the incident involving the *Pueblo*, it would serve to afford additional future protection for our country and hopefully would lead to eventual establishment of a worldwide agreement on the question of territorial waters.

I congratulate the junior Senator from Michigan [Mr. GRIFFIN] for his leadership in this area.

[From the CONGRESSIONAL RECORD, Apr. 3, 1968]

A NEW POLICY FOR U.S. TERRITORIAL WATERS

Mr. GRIFFIN. Mr. President, more than 2 months have elapsed since the *Pueblo* and its crew were seized off the shore of North Korea.

More than 3 years have passed since the *Maddox* and the *Turney Joy* were attacked in the Gulf of Tonkin.

As recently as March 20, 1968, an American-owned tuna boat, the *Taramount*, was seized while navigating 46 miles off the coast of Ecuador.

In each of those cases the issue arose as to whether U.S. vessels had operated in international waters or had penetrated the territorial waters of another nation.

Each of those situations also suggests a fundamental question as to whether the existing policy of the United States regarding our territorial sea makes sense in this last third of the 20th century.

Earlier this year, I introduced Senate Joint Resolution 136, which has been cosponsored by 31 Senators and 85 Representatives.

The amendment I offer now to the pending bill, S. 2269, would accomplish the objectives set forth in my earlier resolution. In brief, it provides that our traditional 3-mile limit will continue in effect as to those nations which claim a 3-mile limit with respect to their shores.

However, foreign countries which claim and require us to respect a wider jurisdiction with respect to their shores, will henceforth be required to recognize a corresponding territorial limit with respect to our coastline, but not to exceed 12 miles.

The amendment would also express the sense of Congress that the President consider taking necessary steps to convene a new international conference with a view toward establishing a universally recognized seaward boundary.

Mr. President, I believe that the time has come for the United States to adopt a more realistic policy with respect to our territorial sea—a policy based on the principle of mutuality.

It makes no sense to adhere rigidly to a self-imposed limitation which no longer serves our national interests—which no longer accords with international practice.

Of course, it goes without saying that this amendment will not secure the release of the *Pueblo* and its crew. It will not turn back the clock on the Gulf of Tonkin affair. And it will not necessarily remove all risks to which U.S. naval and commercial ships are being subjected.

However, this measure will make certain that potential enemies shall not enjoy special privileges which are denied by them to our own fleet.

A 1966 survey, updated by the Department of State, indicates that a majority of coastal nations now claim a territorial sea of more than 3 miles.

And yet, Mr. President, the State Department seems to suggest that the 3-mile limit represents international law. If it does represent international law—which it does not—why do we require our ships to remain at least 12 miles off the coastline of such countries as North Korea?

In defense of our 3-mile limit, State Department officials usually contend that any further extension of jurisdiction on our part would threaten freedom of the seas.

But they overlook the fact that while the United States has been holding the line on the 3-mile limit, most of the maritime nations of the world have long since abandoned this as a standard—and insist upon a wider territorial claim.

To pretend that our stubborn, rigid, adherence to the 3-mile limit is preventing a proliferation of seaward claims on the part of other countries is not keeping with the facts of history. Moreover, the definite trend is toward a 12-mile limit.

The strategy of clinging to the 3-mile limit has failed, both with respect to preserving freedom of the seas and in regard to achieving commonly recognized standards.

It should be recognized that the United States already exercises certain limited rights beyond its 3-mile limit. In 1966, Congress enacted legislation establishing a 12-mile fishing zone. The Coast Guard enforces domestic immigration and customs laws beyond the 3-mile limit.

Of course, those who first formulated our 3-mile limit policy did not contemplate the modern-day intelligence-gathering technology.

Spy ships represent a new reality which cannot be ignored.

I understand that the Russians maintain over 30 spy ships, known in the trade as AGI's. They are stationed continuously in the vicinity of our Polaris submarine bases. Capable of navigating for up to 40 days without replenishing, AGI's also patrol world trouble spots and tail U.S. naval task forces.

A description of Soviet AGI activity was included in my speech to the Senate on January 31, 1968.

I understand that Soviet AGI trawlers normally operate between 3 and 5 miles from U.S. ports. Such close penetration gives the Soviet ships a decided advantage over American vessels—which are instructed to remain at least 12 miles from the shores of the Soviet Union and of most other Communist countries.

While intelligence ships are mainly engaged in electronic surveillance, the visual and photographic observation of port activity and amphibious operations is also important. Such observation, of course, is more effective as a ship goes closer and closer to shore.

Mr. President, there is no reason why the United States should continue to hand Communist nations a significant intelligence advantage. Under the present arrangement, the Communists have everything to gain and nothing to lose if we just go on adhering to our self-imposed 3-mile limit. Our unwavering commitment to the 3-mile limit only makes it possible for the Soviets to "have their cake and eat it, too."

The amendment now before the Senate would make it possible for the United States to deal with other countries on a "tit for tat" basis.

Mr. President, there is a myth which should be unmasked; it is the assumption that our 3-mile limit, when first proclaimed in the days of Thomas Jefferson, was intended as a declaration of policy, binding upon future generations.

In truth, when Secretary of State Thomas Jefferson first undertook to communicate our Government's initial views on this subject to France and Great Britain, he took pains to explain that the newly proclaimed 3-mile rule was minimal and tentative in nature.

Diplomatic manuscripts reveal that Jefferson was reluctant to commit the young Nation to the 3-mile limit; in fact, he did so provisionally only because of the outbreak of war between France and Great Britain in 1793, which threatened American neutrality.

Later on, in 1805, John Quincy Adams records in his memoirs that Jefferson, then the President, reserved the right to claim a wider territorial limit whenever new conditions might warrant it.

Interestingly, there is no law on our statute books which explicitly proclaims the breadth of our territorial sea. Rather, the present policy is based only on custom and tradition.

Mr. President, the origins of the American 3-mile limit are rooted in the political ex-

pediency and diplomatic liturgy of a previous age.

The time has come to adopt a new approach consistent with the facts and realities of a new age.

The time has come to shed old myths, and to pursue a new course. I believe that a new policy predicated upon mutuality would encourage the negotiation and acceptance of a uniform standard with respect to territorial waters.

I believe the policy indicated in my amendment would provide the impetus, the incentive which could lead to meaningful agreements, not only as to seaward boundaries but also as to the right of innocent passage through international straits, legitimate American rights, and toward the establishment of a more meaningful international law of the sea.

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

Mr. GRIFFIN. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I think this proposal has a great deal of merit. It is a matter in which the Committee on Foreign Relations is deeply interested.

I recall that a number of years ago we made a very strong effort to reach agreement among all principal nations and that we came within one vote of achieving agreement on provisions with regard to the territorial seas. But we failed.

The Senator's resolution has been submitted to the department for comment. It is possible that another conference may be called which would be the proper way to solve the problem the Senator is talking about and the problem posed by the bill now before the Senate. I strongly favor an approach through an international conference. It is the regular approach. I think the Senator's proposal has much merit, although I have not had an opportunity to study it closely. I hope that he will not press unilateral action in the Senate while there are still prospects for reaching an international agreement. To be effective we have to get an agreement among the maritime nations on this subject. It is getting more and more complicated, as the Senator rightly points out.

Mr. GRIFFIN. I appreciate very much the comments of the distinguished chairman of the Foreign Relations Committee. Let me respond by saying that I quite agree it is most desirable for the nations of the world to reach an agreement on a universally recognized limit. However, the fact is that several conferences have been held and they have failed. In the meantime, there is, in effect, no international law.

I quite agree that the State Department has a very deep interest and concern in this matter. However, I should like to suggest that the Senate, and particularly the Committee on Foreign Relations, should also have a deep interest in this subject. I would hope that the committee would not merely await some action on the part of the State Department. I should like to suggest and urge that the Committee on Foreign Relations, should undertake to reexamine and reevaluate the existing policy of the United States, which has been in effect so long and which now is of questionable validity.

I wonder whether the distinguished chairman of the committee could give the junior Senator from Michigan any assurance that the Committee on Foreign Relations will look into this policy question and examine it.

Mr. FULBRIGHT. Yes. I will say that the committee is in the process of doing so. I have a response from the general counsel of the Department of Defense in a letter of April 2, 1968. The committee is looking into it. Both the Department of State and the Department of Defense are very interested in this problem because it involves matters of great importance. There are some 100 international waterways, more or less. One of the most critical straits recently played a part in the controversy in the Middle East, as the Senator knows.

This matter has to be straightened out. The committee is interested in finding a solution, as I have said. If the Senator has not seen the letter from the Department of Defense, he is perfectly welcome to read it. They are pushing to try to get a settlement. I can assure the Senator that the Committee on Foreign Relations will follow through and keep after the departments to try to work it out. The conference I mentioned a moment ago, which came within one vote of reaching agreement, was only about 7 or 8 years ago. In the intervening time, we have had the war in Vietnam and other things which have distracted us and made it almost impossible to make any headway in a conference of that kind.

Mr. GRIFFIN. If the chairman of the committee and other members of his committee would carefully examine the resolution which I have introduced, and if there were hearings held on the resolution and other related proposals, I believe they would come to the same conclusion that I have; namely, that the resolution in no way interferes with the effort underway to achieve an international agreement.

In fact, it is my firm opinion that the adoption of such a resolution would encourage, stimulate, and help us to achieve such an agreement. I am hoping that the committee will do more than just communicate with the State Department, that perhaps some hearings will be held on the subject, hearings which would at least include consideration of the resolution which I have introduced.

Mr. FULBRIGHT. I can convey to the Senator, I believe, without any reservation whatever, that we will have hearings on the resolution and we will consider what he has said. I must say that the departments do not believe that the exception here in which we seem to abandon a multilateral approach to get general agreement, but only the unilateral—in other words, it is just between us and any one country with which we are able to make an agreement—they believe would mitigate against an agreement. I have no basis on which I can prove that.

Mr. GRIFFIN. I am aware of the position which they are taking but I believe it is subject to challenge and argument. I would hope that the committee would examine the arguments on both sides and try to help in arriving at a judgment.

Mr. FULBRIGHT. I can assure the Senator that we will do that.

Mr. GRIFFIN. I appreciate those assurances from the chairman.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at its next printing, the names of the Senator from Minnesota (Mr. MONDALE) and the Senator from Wisconsin (Mr. NELSON) be added as cosponsors of the bill (S. 335) to prevent the importation of endangered species of fish and wildlife on parts thereof into the United States, and to prevent the interstate shipment of reptiles, amphibians, and other wildlife taken contrary to law.

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

Mr. STEVENS. Mr. President, I am pleased by the bipartisan support which has been given my bill, S. 937. This bill, if enacted, would allow congressional employees to participate in the numerous programs of the Federal Employees Training Act. The Training Act has been most helpful to Federal agencies. Its seminars, courses and meetings have served to keep employees abreast of the developments in their field and to provide the cross fertilization of ideas that comes from interdisciplinary discussions.

The program has been most successful, and I believe congressional employees should participate in its benefits. Other Senators share this belief. I am delighted by their support of S. 937, and I ask unanimous consent that at the next printing of this bill the following names may be added as cosponsors: The Senator from Utah (Mr. BENNETT), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kentucky (Mr. COOPER), the Senator from Oregon (Mr. HATFIELD), the Senator from Hawaii (Mr. INOUYE), the Senator from New York (Mr. JAVITS), the Senator from Montana (Mr. METCALF), the Senator from Utah (Mr. MOSS), the Senator from Wisconsin (Mr. NELSON), the Senator from Illinois (Mr. PERCY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Georgia (Mr. TALMADGE), the Senator from Maryland (Mr. TYDINGS), and the Senator from Nevada (Mr. BIBLE).

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Kansas (Mr. PEARSON) be added as a cosponsor of the bill (S. 1433), the Draft Reform Act of 1969.

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

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from New Mexico (Mr. MONTOYA) I ask unanimous consent that, at its next printing, the name of the Senator from Rhode Island (Mr. PASTORE) be added as a cosponsor of the bill (S. 1054) to increase the amount of the deduction of each personal exemption to $1,000.

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

Mr. JAVITS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Missouri (Mr. EAGLETON) be added as a cosponsor of the bill (S. 1106) to establish a Commission to study workmen's compensation.

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

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Maine (Mr. MUSKIE) be added as a cosponsor of the joint resolution (S.J. Res. 18) proposing a constitutional amendment that relates to the election of the President of the United States should his election become the prerogative of the House of Representatives.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, at its next printing, the name of the senior Senator from Michigan (Mr. HART) be added as a cosponsor of the joint resolution (S.J. Res. 28) providing for renaming the central Arizona project as the Carl Hayden project.

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

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Oregon (Mr. HATFIELD) be added as a cosponsor of the joint resolution (S.J. Res. 73) to amend the Constitution to allow 18-year-olds to vote in Federal, State, and local elections.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the senior Senator from West Virginia (Mr. RANDOLPH), I ask unanimous consent that at its next printing, the name of the Senator from Florida (Mr. GURNEY) be added as a cosponsor of the joint resolution (S.J. Res. 74) providing for the designation of the first calendar week in May of each year as "National Employ the Older Worker Week."

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

Mr. INOUYE. Mr. President, I ask unanimous consent, that at its next printing, the names of the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. MANSFIELD), and the Senator from New Mexico (Mr. MONTOYA) be added as cosponsors of the bill (S. 1520) the Newspaper Preservation Act.

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

SENATE CONGRESSIONAL RESOLUTION 14—CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL AGREEMENT AMONG MAJOR DAIRY-PRODUCT-PRODUCING COUNTRIES

Mr. NELSON. Mr. President, today I am submitting on behalf of myself, and the Senator from Wisconsin (Mr. PROXMIRE), for appropriate reference, a concurrent resolution urging the President to seek an international dairy agreement to resolve the world marketing problems facing the dairy-producing nations of the world.

The time has come for the United States and the dairy countries of Western Europe and elsewhere to sit down at an international conference and seek the best way of disposing of our common dairy surpluses without driving down world prices.

Although milk production in the United States has dropped nearly 10 billion pounds since the early 1960's, milk production on a worldwide basis has increased by more than 70 billion pounds. In Western Europe alone, it has risen 30 percent in the past 10 years.

But world milk consumption has not increased as rapidly and too much of the surplus is being dumped through subsidized exports on the markets of the United States and other countries.

The international dairy community as a whole would benefit through a program that distributed surplus dairy products to underdeveloped nations outside the normal commercial markets for these commodities.

This would serve the dual purpose of providing nutritious dairy products to areas of the world where hunger and starvation are still unchecked while strengthening the world market for dairy products.

Instead of nations spending vast sums of money for export subsidies and storage costs, these funds would be redirected where they will really accomplish something positive for the entire world.

The 18th International Dairy Congress to be held in October 1970, in Sidney, Australia, might be the ideal forum for the initial world conference on this proposal.

Under this resolution, the international dairy agreement could include provisions to cover: first, strengthening and stabilizing world dairy prices by providing for the donation or other disposition of surplus dairy products to needy countries in a manner that will not adversely affect normal commercial trade; second, effective protection of domestic dairy price support programs of member countries; third, establishing a maximum rate which each member country would be permitted to pay for the purpose of subsidizing the exportation of dairy products from such country into commercial world trade; fourth, establishing minimum prices for basic dairy products below which member countries will not permit their products to be exported in commercial trade; fifth, the development and expansion of new international markets for dairy products; and sixth, the development of international sanitary standards for milk production and processing.

I ask unanimous consent that the text of the concurrent resolution be printed in the RECORD at this time.

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

The concurrent resolution (S. Con. Res. 14), which reads as follows, was referred to the Committee on Foreign Relations:

S. CON. RES. 14

Resolved by the Senate (the House of Representatives concurring), That it is hereby declared to be the sense of the Congress that the President should take immediate action to seek an international agreement among the major dairy product producing countries of the world in order to provide for the orderly and equitable disposal of surplus dairy products without disrupting world markets.

SEC. 2. It is further declared to be the sense of the Congress that the President should, in negotiating any such international agreement referred to in the first section of this resolution, insist on including in such agreement provisions for—

1. Strengthening and stabilizing world dairy prices by providing for the donation or other disposition of surplus dairy products to needy countries in a manner that will not adversely affect normal commercial trade;

2. Effective protection of domestic dairy price support programs of member countries;

3. Establishing a maximum rate which each member country would be permitted to pay for the purpose of subsidizing the exportation of dairy products from such country into commercial world trade;

4. Establishing minimum prices for basic dairy products below which member countries will not permit their products to be exported in commercial trade;

5. The development and expansion of new international markets for dairy products; and

6. The development of international sanitary standards for milk production and processing.

SENATE RESOLUTION 167—RESOLUTION AUTHORIZING A SPEECH REINFORCEMENT SYSTEM FOR THE U.S. SENATE CHAMBER—REPORT OF A COMMITTEE (S. REPT. NO. 91-114)

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 167), and submitted a report thereon, which resolution was placed on the calendar and the report (together with illustrations) was ordered to be printed:

S. RES. 167

Resolved, That the Architect of the Capitol in conjunction with the Sergeant at Arms of the Senate be authorized to install a speech reinforcement system and auxiliary appurtenances in the Chamber of the United States Senate subject to the approval of the Committee on Rules and Administration; and that there are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this resolution.

SENATE RESOLUTION 168—RESOLUTION RELATING TO STUDENT INVESTMENT ACT

Mr. PROUTY. Mr. President, today I am submitting for the consideration of the Senate a resolution asking for a joint study by the Finance and Labor and Public Welfare Committees to determine the most expeditious means of financing higher education.

I believe that early in the 91st Congress is the appropriate time for such a study to be conducted, because the new administration and, particularly, the incoming Commissioner of Education, will be in a position to benefit from and hopefully act upon, the recommendations of Congress.

The Nation's needs for higher education are growing at an accelerating rate. Yet, due to the increasing costs of education, institutions of higher learning are more desperately in need of assistance than ever before despite numerous existing Federal and State assistance programs. The need for a college education in this day and age of complexities is undisputed. However, inflation and rising institutional costs result in an increased cost to the student.

Because of the increased cost of education, there exists a basic inequity in the higher educational system which has been exacerbated rather than alleviated over the past decade. I refer, Mr. President, to the fact that a college degree has been, and remains, more easily attainable by a student from a high-income family regardless of his scholastic ability or achievement than by a student from a low-income family.

In 1960, 76.6 percent of the children of white collar workers who had graduated at the top of their high school classes were enrolled in college, while only 41.8 percent of the similarly talented children of other workers were enrolled. In

1968, 95 percent of the top-ability students coming from families in the highest socioeconomic quartile were able to enter college, while only 50 percent of those in the lowest socioeconomic quartile could do so. It is becoming increasingly clear that considerable talent is lost simply because numbers of youth cannot afford to attend college.

NDEA fellowships and loans, the GI bill, and equal opportunity grants have enabled millions of students—who would not ordinarily be able to do so—to finance a higher education. These programs, however, have been limited in their impact in relation to the need. Further, I am convinced that even a greater financial input into the existing structure of fellowship and loans will not be sufficient to meet the universe of need.

It is for this reason, Mr. President, that I am submitting this resolution. Hopefully, a joint study will facilitate a thorough consideration of the problems of financing higher education and lead to a complete restructuring of the loan and fellowship efforts as supported by the Federal Government.

I am not ready at this time, Mr. President, to make specific recommendations about all the types of new programs which should be considered. I hope to do so at a later time as the hearings and study progress. However, there is one proposal which I feel deserves special consideration. It is a suggestion which has been advocated previously by such notable academicians as Charles Killingsworth of Michigan, Kingman Brewster of Yale, and most recently by the prestigious Carnegie Commission on Higher Education chaired by Clark Kerr. I have consequently mentioned this specifically in my resolution as an idea meriting discussion and study.

I refer, Mr. President, to the proposal that the Federal Government establish a contingent loan fund for which students would be eligible. Such a fund could be administered by the individual educational institution—or a nonprofit Govment-chartered corporation. However, as I envision it, regardless of how it is administered, the contingent loan fund would have several unique characteristics.

First, any student could borrow an amount equivalent to the total cost of his 4 years in college, including both subsistence and tuition on a year-to-year basis.

Second, in contracting for this loan, the student would agree to pay back a fixed percentage of his income per a certain amount of the debt for a number of years during his productive working career. As Dr. Charles Killingsworth noted several years ago in a statement before the Labor and Public Welfare Committee:

> The basic idea of the contingent repayment loans is that the borrower should pledge a fraction of his future income—however large or small—in return for this type of loan. The percentage contribution rate to which the individual would commit himself might be compared to the social security tax.

Since the payment comes after the benefits are enjoyed, however, it is in reality social security in reverse.

Such a plan, the details of which could be worked out by the appropriate committee, would have several advantages. First, it would make a substantial contribution toward the goal of equalizing educational advantage. Second, after an initial outlay of funds, the program would be self-sustaining since it would be replenished continually. Third, the method of repayment through a tax mechanism would reduce the risk inherent in many loan contracts. Finally, this type of loan program would enable many college students to independently finance their education.

I do not believe that enactment of a contingent student loan program would by itself alleviate all the problems in the financing of higher education. However, I think that this program in combination with others would represent a considerable step forward.

Education is essentially an investment in human capital. I am hopeful that we will find ways to make it possible for all qualified Americans to finance a higher education. The result will be a stronger and wealthier America.

Mr. President, I submit my resolution, which I have named the Student Investment Act, calling for a study of ways to finance higher education; and I ask unanimous consent that it be jointly referred to the Committees on Finance and Labor and Public Welfare.

I ask unanimous consent that the text of the resolution be printed in the RECORD, directly following my remarks.

The PRESIDING OFFICER. The resolution will be received; and, without objection, the resolution will be jointly referred to the Committees on Finance and Labor and Public Welfare and will be printed in the RECORD.

The resolution (S. Res. 168) reads as follows:

S. RES. 168

Resolved, That the Committee on Finance and the Committee on Labor and Public Welfare, acting jointly, shall conduct a thorough study of the most expeditious means of financing higher education in the United States. Such study shall particularly include a thorough exploration of the following:

(1) various means by which a loan fund may be established to assist students to defray the expenses of higher education;

(2) the feasibility of repayment by students of such funds through the device of an increase in Federal income tax rates during their more productive years.

SEC. 2. (a) In making the study under this resolution, the committees shall hold such public hearings as they deem necessary.

(b) Each meeting of the committees under this resolution, whether for the purpose of holding public hearings or otherwise, shall be held alternately under the chairmanship of the chairman of the Committee on Finance and the chairman of the Committee on Labor and Public Welfare or their designee.

SEC. 3. The committees shall report the results of the study under this resolution, together with their recommendations, to the Senate at the earliest practicable date.

SENATE RESOLUTION 169—RESOLUTION TO PRINT A REPORT ENTITLED "EQUAL EMPLOYMENT OPPORTUNITY WITH REGARD TO FEDERAL-AID HIGHWAY PROJECTS" AS A SENATE DOCUMENT

Mr. RANDOLPH. Mr. President, on behalf of the Subcommittee on Roads of the Committee on Public Works, I submit a resolution to print a report, entitled "Equal Employment Opportunity With Regard to Federal-Aid Highway Projects," as a Senate document.

This report and its recommendations constitute a reaffirmation of our commitment to a strong, realistic, and effective equal employment opportunity effort on the part of those involved in the Federal-Aid highway program.

In essence, these suggestions urge on the Secretary of Transportation, the Federal Highway Administration and the State highway departments a broad scale attack on the problems of job discrimination. These recommendations place major responsibility on the State highway departments individually and as partners in the Federal effort to develop by the earliest possible date workable and meaningful programs designed to implement this important national policy.

I discussed the recommendations and the report in a conference with the Secretary of Transportation on March 10, 1969. The Secretary, in carrying out his equal employment opportunity responsibilities, announced on Monday, March 17, the issuance of a new order relating to employment practices in Federal-aid highway construction work. As a result of some misunderstandings with respect to the intent of the changes contained in the new order, the Secretary issued an additional statement on March 18, 1969, which fully explains the Secretary's desire to make this program workable.

My discussions with the Secretary and the position taken by him as set forth in the Department of Transportation news release on March 18, 1969, have confirmed my understanding of his deep commitment to positive equal employment programs. The Secretary fully understands the importance the Subcommittee on Roads attaches to the program and has assured me that the recommendations will be carried out to their fullest. The Secretary of Transportation has already given evidence to the State highway departments that he expects actual compliance with the requirements set forth in section 22 of the Federal-Aid Highway Act of 1968.

Concern has been expressed on the part of some persons that a change in procedure at this time might adversely affect the attitudes of those involved in carrying out the program. It has been suggested that the Secretary's action, together with our critique of the program, might be interpreted by those who actively support civil rights efforts as well as those who oppose them as an attack on the underlying policy of equal employment opportunity. This interpretation is neither intended nor implied. The critique, to the extent that it calls prior agency efforts to task, concerns itself with designating procedural mistakes to be avoided in the future. Our avowed purpose is to strengthen the role of those employees of the Federal Highway Administration and the State highway departments who are responsible for carrying forward the program.

The report recognizes that the program under review is new and relatively untested and that its success rests on ef-

fective administration. If the recommendations contained in it are implemented, it will be possible to have as many as 2,000 compliance reviews performed at the State level and another 750 by Federal employees. Under the program which we reviewed, there could have been only the 750 Federal reviews. Under the Department of Labor regulations less than 200 compliance checks were made in the highway field during calendar year 1968. The subcommittee report states:

In the last analysis, it is the caliber of action and not the quality of words which will have the greatest impact. The success of this program rests on the training programs which the Act requires and on the compliance reviews conducted by State Agencies and the Federal Highway Administration.

I recommend this report to all Senators and Representatives in the Congress and to all who are interested in this important matter.

I ask unanimous consent that the resolution, together with certain recommendations, be printed in the RECORD.

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

The resolution (S. Res. 169), which reads as follows, was referred to the Committee on Rules and Administration:

S. RES. 169

Resolved, That there be printed as a Senate Document the report by the Subcommittee on Roads, Committee on Public Works, entitled "Equal Employment Opportunity with Regard to Federal-Aid Highway Projects", relating to the implementation of Section 22, Federal Aid Highway Act of 1968, and that there be printed two thousand additional copies of such document for the use of the Committee on Public Works.

The recommendations, presented by Mr. RANDOLPH, are as follows:

RECOMMENDATIONS

1. The Federal Highway Administration, the Bureau of Public Roads, and the State highway departments as the supervising government agencies, have a leadership responsibility in carrying out positive equal employment opportunity programs; therefore, the employment practices of these agencies themselves should reflect the highest level of performance. Minorities should be employed in all categories and grade levels of agency activity for which they are qualified. In the event that few qualified applicants are available, these agencies must undertake training programs which will enable unemployed and underemployed people to participate in the overall program. The hiring of minorities in the administration of equal employment opportunity work alone is not sufficient.

2. In keeping with the partnership concept of the Federal-aid highway program, each State must develop a comprehensive program as required by P.L. 90–495 designed to secure effective equal employment opportunity activities by contractors bidding on Federal-aid highway work within the State. Such State programs shall be developed with the active participation of the Federal Highway Administration, contractors or organizations representing contractors, labor unions, and persons or organizations who are experienced in methods of expanding employment opportunity. Other State agencies which have expertise, knowledge, or experience in this area, should also be brought into the discussions so that they may contribute to achieving workable and realistic programs. In keeping with normal Federal-aid procedures, it will be incumbent upon the Federal Highway Administration to develop sufficiently definitive criteria to assist the States in meeting their responsibilities. In this regard, the general criteria established by interim order 7–2 would serve well as a start.

3. In order to demonstrate the importance attached to equal employment opportunity efforts and to facilitate their proper administration at the national level, the officer charged with carrying forward these responsibilities must be a direct assistant of the Federal Highway Administrator. He should also have experience to qualify him for his duties and his office should be so staffed that technical assistance can be rendered to the States. It will be necessary, in view of the limited numbers of people now in the field, to establish a training program for Federal employees, and this training program should be made available to States which wish to take advantage of the training being offered. A trained equal employment opportunity officer should be assigned to each division office so that daily contact may be maintained with counterpart officials in the State highway department. Such field people, together with regional Federal Highway Administration office employees charged with similar responsibilities, should participate in compliance reviews conducted by State highway departments and from time to time, as is normal with regard to other aspects of the highway program, conduct such reviews directly for the Federal Highway Administration.

4. A State should be enabled, if it desires, to require contractors to subscribe to a particular program as a means of prequalifying, if that is the procedure which the State wishes to adopt. Or a State may include in the advertised bids, specifications regarding equal employment actions which will be required on projects for which bids are being taken. A great deal of work is devoted in planning each highway segment and preparing the bid specifications for each job. The subcommittee believes that this process offers full opportunity to develop an equal employment opportunity program to be set forth in the bid specifications, including analysis of the local labor force, training needs, schools, and other sources of employees to be contacted, which media should be used, and other appropriate requirements.

5. The State's overall equal employment opportunity program should provide for adequate staffing and financing so that frequent compliance reviews can be made. Federal employees should periodically take part in such reviews in order to judge the effectiveness of the State procedures and the degree of contractor performance. Violations noted by Federal employees should be forwarded to the State highway department for action; and where violations are found, the State's enforcement effort must be sufficiently strict to insure their immediate correction.

6. While a number of witnesses requested that interim order 7–2 be stayed pending corrective action, the issuance on January 28, 1969, of sample affirmative action programs pursuant to a request by the committee chairman, clarified many questions.

As of February 17, 1969, 5,496 prequalification statements had been received by the States. Of these, 4,600 had been acted on by the States and 3,903 had received the approval of the division offices of the Bureau of Public Roads.

At the time of the hearings, 4,352 prequalification statements had been submitted by contractors. Of that total, 3,318 had been acted on by the States and 2,419 had been approved by divisions offices. The improvement of the review system and the increased contractor participation has corrected some of the shortcomings of the original procedures.

The subcommittee, therefore, urges that the program be carried forward vigorously and that administrative changes to conform to these recommendations be made as quickly as possible.

7. The subcommittee requests that the Federal Highway Administration submit a report prior to July 1, 1969, and annually thereafter, on the status of the equal employment opportunity program, its effectiveness, and progress made by the States and the Administration in carrying out section 22 of the Federal-Aid Highway Act of 1968.

Following receipt of the first of these reports, the Subcommittee will undertake an examination of the performance of the States and industry and others in achieving compliance with the goals of the Equal Employment Opportunity Program. Based on this review, the Subcommittee may make additional recommendations and suggestions for action.

SENATE RESOLUTION 170—RESOLUTION TO PRINT A REPORT ENTITLED "REVIEW OF U.S. FOREIGN POLICY AND OPERATIONS" AS A SENATE DOCUMENT

Mr. ELLENDER submitted the following resolution (S. Res. 170); which was referred to the Committee on Rules and Administration:

S. RES. 170

Resolved, That a report entitled "Review of United States Foreign Policy and Operations," submitted to the Senate Committee on Appropriations on March 17, 1969, be printed as a Senate document; and that two thousand six hundred additional copies of such document be printed for the use of that Committee.

NOTICE OF RECEIPT OF NOMINATION BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the following nomination:

Joseph H. Blatchford, of California, to be Director of the Peace Corps.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to be permitted to proceed for 15 minutes during the morning hour.

The PRESIDING OFFICER. Is there objection? There being none, the Senator may proceed.

OVER 2,000 RETIRED HIGH RANKING MILITARY OFFICERS NOW EMPLOYED BY 100 LARGEST MILITARY CONTRACTORS

Mr. PROXMIRE. Mr. President, recently I asked the Department of Defense for a list of certain high ranking retired military officers employed by the 100 companies who had the largest volume of military prime contracts. I did this in connection with the hearings of the Subcommittee on Economy in Government of the Joint Economic Committee.

In fiscal year 1968 these 100 companies held 67.4 percent of the $38.8 billion of prime military contracts, or $26.2 billion.

The Defense Department has now supplied to me the list of high ranking

military officers who work for these 100 companies. They include the subsidiaries. In one case, that of the 35th ranking contractor, four firms were involved in a joint venture.

I asked only for the names of those retired military officers of the rank of Army, Air Force, Marine Corps colonel or Navy captain and above. Excluded are all officers below those ranks. I asked for only retired Regular officers and not Reserve officers, although in a very few cases the Reserve officers may be included.

TOP 100 COMPANIES EMPLOY OVER 2,000 RETIRED OFFICERS

The facts are that as of February, 1969, some 2,072 retired military officers of the rank of colonel or Navy captain and above were employed by the 100 contractors who reported. This is an average of almost 22 per firm. I shall ask to have printed in the RECORD as exhibit A of my statement a list of the 100 companies, ranked according to the dollar volume of their prime military contracts, and the number of high ranking retired officers they employ.

TEN COMPANIES EMPLOY OVER 1,000

The 10 companies with the largest number on their payrolls employed 1,065 retired officers. This is an average of 106 per firm. These 10 companies employed over half the total number of high ranking former officers employed by all the top 100 defense contractors. These companies, listed according to the number of retired officers employed by them, are given in table 1, as follows:

TABLE 1.—TEN MILITARY PRIME CONTRACTORS EMPLOYING LARGEST NUMBER OF HIGH RANKING RETIRED MILITARY OFFICERS, AND VALUE OF THEIR FISCAL YEAR 1968 CONTRACTS

Company and rank by number of high-ranking retired officers employed	Number employed, Feb. 1, 1969	Net dollar value of defense contracts, fiscal year 1968
1. Lockheed Aircraft Corp	210	$1,870,000,000
2. Boeing Co	169	762,000,000
3. McDonnell Douglas Corp	141	1,101,000,000
4. General Dynamics	113	2,239,000,000
5. North American Rockwell Corp	104	669,000,000
6. General Electric Co	89	1,489,000,000
7. Ling Temco Vought, Inc	69	758,000,000
8. Westinghouse Electric Corp	59	251,000,000
9. TRW, Inc	56	127,000,000
10. Hughes Aircraft Co	55	286,000,000
	1,065	9,552,000,000

KEY ABM CONTRACTORS EMPLOY 22 PERCENT OF TOTAL

Among the major defense contractors involved in producing the key components of the anti-ballistic-missile system—ABM—nine of them employ 465 retired officers. This is an average of 51 each.

In 1968 they held contracts valued at $5.78 billion and, of course, will receive many billions more if the ABM system is deployed. These companies and the number of retired officers they employ are given in table 2, as follows:

TABLE 2.—*Major prime contractors involved in ABM system and number of high ranking retired military officers employed by them*

1. McDonnell Douglas	141
2. General Electric	89
3. Hughes Aircraft	55
4. Martin Marietta	40

TABLE 2.—*Major prime contractors involved in ABM system and number of high ranking retired military officers employed by them*—Continued

5. Raytheon	37
6. Sperry Rand	36
7. RCA	35
8. AVCO	23
9. A.T. & T	9
Total	465

COMPARISON OF 1969 WITH 1959

Mr. President, almost 10 years ago in connection with hearings before the Senate Finance Committee on the extension of the Renegotiation Act, former Senator Paul H. Douglas asked for and received a similar list from the Pentagon. We can, therefore, make comparisons over a decade as to what has happened with respect to the employment of high ranking retired military officers by the top 100 defense contractors.

In 1959, the total number employed was only 721—88 of 100 companies reporting—or an average of slightly more than eight per company.

In 1969 the 100 largest defense contractors—95 of the 100 companies reporting—employed 2,072 former high military officers, or an average of almost 22 per company.

In 1959 the 10 companies with the highest number of former officers employed 372 of them.

In 1969 the top 10 had 1,065, or about three times as many.

Some 43 companies which reported were on both the 1959 and 1969 list of the top 100 largest contractors. There were several more who were on the list in both years but failed to report in one or the other year. But we can compare the 43 companies. These 43 companies employed 588 high ranking former officers in 1959. In 1969 these same companies employed 1,642 retired high ranking retired officers.

In each case where a comparison can be made; namely, in the total number of former high ranking officers employed by the top 100 contractors, the top 10 contractors employing the largest number, and the number employed by firms reporting in both 1959 and 1969, the number employed has tripled. It has increased threefold.

Roughly three times the number of retired high ranking military officers are employed by the top 100 companies in 1969 as compared with 1959.

SIGNIFICANCE

What is the significance of this situation? What does it mean and what are some of its implications?

First of all, it bears out the statement I made on March 10 when I spoke on the "blank check for the military, that the warning by former President Eisenhower against the danger of "unwarranted influence, whether sought or unsought, by the military-industrial complex," is not just some future danger.

That danger is here. Whether sought or unsought there is today unwarranted influence by the military-industrial complex which results in excessive costs, burgeoning military budgets, and scandalous performances. The danger has long since materialized. The 2,072 retired high-ranking officers employed by the top 100 military contractors is one major facet of this influence.

NO CONSPIRACY OR WRONGDOING

Second, I do not claim nor even suggest that any conspiracy exists between the military and the 100 largest defense contractors. I do not believe in the conspiracy theory of history. I charge no general wrongdoing on the part of either group.

In the past many of the officers have performed valiant and even heroic service on behalf of the United States. The country is indeed grateful to them for their past service and for their patriotic endeavors.

We should eschew even the slightest suggestion of any conspiracy between the Pentagon, on the one hand, and the companies who hire former employees, on the other. There is not a scintilla of evidence that it exists.

COMMUNITY OF INTEREST

But what can be said, and should properly be said, is that there is a continuing community of interest between the military, on the one hand, and these industries on the other.

What we have here is almost a classic example of how the military-industrial complex works.

It is not a question of wrongdoing. It is a question of what can be called the "old boy network" or the "old school tie."

This is a most dangerous and shocking situation. It indicates the increasing influence of the big contractors with the military and the military with the big contractors. It shows an intensification of the problem and the growing community of interest which exists between the two. It makes it imperative that new weapon systems receive the most critical review and that defense contracts be examined in microscopic detail.

I am alarmed about this trend not because I question the integrity or the good will of the retired officers who have found employment with military contractors but because I believe that the trend itself represents a distinct threat to the public interest.

DANGERS WHEN COUPLED WITH NEGOTIATED CONTRACTS

Third, this matter is particularly dangerous in a situation where only 11.5 percent of military contracts are awarded on a formally advertised competitive bid basis. It lends itself to major abuse when almost 90 percent of all military contracts are negotiated, and where a very high proportion of them are negotiated with only one, or one or two, contractors.

Former high-ranking military officers have an entree to the Pentagon that others do not have. I am not charging that is necessarily wrong. I am saying that it is true.

Former high-ranking officers have personal friendships with those still at the Pentagon which most people do not have. Again, I charge no specific wrongdoing. But it is a fact.

In some cases former officers may even negotiate contracts with their former fellow officers. Or they may be involved in developing plans and specifications, making proposals, drawing up blueprints, or taking part in the planning process

or proposing prospective weapon systems. And they may be doing this in cooperation with their former fellow officers with whom they served with and by whom, in some cases, even promoted.

With such a high proportion of negotiated contracts there is a great danger of abuse.

In addition, there is the subtle or unconscious temptation to the officer still on active duty. After all, he can see that over 2,000 of his fellow officers work for the big companies. How hard a bargain does he drive with them when he is 1 or 2 years away from retirement?

This danger does not come from corruption. Except in rare circumstances this is no more prevalent among military officers than among those with comparable civilian responsibilities.

MUTUAL INTERESTS—UNCRITICAL VIEWS

The danger to the public interest is that these firms and the former officers they employ have a community of interest with the military itself. They hold a narrow view of public priorities based on self-interest. They have a largely uncritical view of military spending.

As a group they have what has been termed "tunnelvision." But in this case their narrow training can be fortified by self-interest. In too many cases they may see only military answers to exceedingly complex diplomatic and political problems. A military response, or the ability to make one, may seem to them to be the most appropriate answer to every international threat.

SUMMARY

When the bulk of the budget goes for military purposes; when 100 companies get 67 percent of the defense contract dollars; when cost overruns are routine and prime military weapon system contracts normally exceed their estimates by 100 to 200 percent; when these contracts are let by negotiation and not by competitive bidding; and when the top contractors have over 2,000 retired high-ranking military officers on their payrolls; there are very real questions as to how critically these matters are reviewed and how well the public interest is served.

That, Mr. President, is the point. That is why I think it important that there be public disclosure of these facts so that the American public can know more about the community of interests involved in our huge defense contract spending.

I ask unanimous consent that a list of the 100 largest defense contractors and the number of highranking officers they employed in early 1969 be printed in the RECORD as exhibit A;

That a similar list of the 100 largest military contractors and the number of high-ranking former officers they employed in 1959 be printed in the RECORD as exhibit B;

That a list of the 100 largest military contractors for fiscal year 1968, and the dollar value and percent of military contracts each held, be printed as exhibit C; and

That a list of the names of the former high-ranking officers employed by the 100 largest defense contractors in February 1969 be printed as exhibit D.

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

EXHIBIT A

A list of the 100 largest companies ranked by 1968 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, February 1969

1. General Dynamics Corp	113
2. Lockheed Aircraft Corp	210
3. General Electric Co	89
4. United Aircraft Corp	48
5. McDonnell Douglas Corp	141
6. American Telephone & Telegraph	9
7. Boeing Corp	169
8. Ling-Temco-Vought, Inc	69
9. North American Rockwell Corp	104
10. General Motors Corp	17
11. Grumman Aircraft Engineering Corp	31
12. AVCO Corp	23
13. Textron, Inc	28
14. Litton Industries, Inc	49
15. Raytheon Co	37
16. Sperry Rand Corp	36
17. Martin Marietta Corp	40
18. Kaiser Industries Corp	11
19. Ford Motor Co	43
20. Honeywell, Inc	26
21. Olin Mathieson Chemical Corp	3
22. Northrop Corp	48
23. Ryan Aeronautical Co	25
24. Hughes Aircraft Co	55
25. Standard Oil of New Jersey	2
26. Radio Corp. of America	35
27. Westinghouse Electric Corp	59
28. General Tire & Rubber Co	32
29. Int'l Telephone & Telegraph Corp	(1)
30. IBM	35
31. Bendix Corp	25
32. Pan American World Airways	24
33. FMC Corp	6
34. Newport News Shipbuilding	6
35. Raymond/Morrison, etc.[2]	6
36. Signal Companies, Inc. (The)	9
37. Hercules, Inc	13
38. Du Pont, E. I. de Nemours & Co	3
39. Texas Instruments, Inc	7
40. Day & Zimmerman, Inc	1
41. General Telephone & Electronics Corp.	35
42. Uniroyal, Inc	6
43. Chrysler Corp	11
44. Standard Oil of California	6
45. Norris Industries	2
46. Texaco, Inc	4
47. Collins Radio Co	3
48. Goodyear Tire & Rubber Co	6
49. Asiatic Petroleum Corp	0
50. Sanders Associates, Inc	17
51. Mobil Oil Corp	(1)
52. TRW, Inc	56
53. Mason & Hanger Silas Mason	5
54. Massachusetts Institute of Technology	5
55. Magnavox Co	3
56. Fairchild Hiller Corp	7
57. Pacific Architects & Engineering	16
58. Thiokol Chemical Corp	3
59. Eastman Kodak Co	15
60. United States Steel Corp	(1)
61. American Machine & Foundry	7
62. Chamberlain Corp	3
63. General Precision Equipment	23
64. Lear Siegler Inc	4
65. Harvey Aluminum, Inc	4
66. National Presto Industrial Inc	0
67. Teledyne, Inc	8
68. City Investing Co	4
69. Colt Industries, Inc	4
70. Western Union Telegraph Co	5
71. American Manufacturing Co. of Texas	0
72. Curtiss Wright Corp	1
73. White Motor Co	(1)
74. Aerospace Corp	6
75. Cessna Aircraft Co	0
76. Emerson Electric Co	3
77. Seatrain Lines, Inc	4
78. Gulf Oil Corp	1

A list of the 100 largest companies ranked by 1968 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, February 1969—Continued

79. Condec Corp	1
80. Motorola, Inc	3
81. Continental Air Lines, Inc	4
82. Federal Cartridge Corp	1
83. Hughes Tool Co	13
84. Vitro Corp. of America	25
85. Johns Hopkins Univ	(1)
86. Control Data Corp	14
87. Lykes Corp	0
88. McLean Industries, Inc	2
89. Aerodex, Inc	5
90. Susquehanna Corp	7
91. Sverdrup & Parcel Assoc., Inc	9
92. States Marine Lines Inc	0
93. Hazeltine Corp	7
94. Atlas Chemical Indus., Inc	0
95. Vinnell Corp	0
96. Harris-Intertype Corp	4
97. World Airways, Inc	4
98. International Harvester Co	6
99. Automatic Sprinkler Corp	3
100. Smith Investment Co	0
Total	2,072

[1] Not yet reported.

[2] Raymond Int'l. Inc.; Morrison-Knudsen Co., Inc.; Brown & Root, Inc.; and J. A. Jones Construction Co.

EXHIBIT B

The 100 largest companies ranked by 1958 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, June 1959

1. American Bosch Arma Corp.: None.
2. American Telephone & Telegraph Co.: 1.
3. Asiatic Petroleum Corp.: None.
4. Avco Corp.: 4.
5. Bath Iron Works Corp.: 2.
6. Beech Aircraft: Not available.
7. Bell Aircraft Corp.: 3.
8. Bendix Aviation Corp.: 14.
9. Bethlehem Steel Co.: 8.
10. Blue Cross Association: None.
11. Boeing Airplane Co.: 30.
12. Brown-Raymond-Walsh: None.
13. California Institute of Technology: None.
14. Cessna Aircraft Co.: 1.
15. Chance Vought Aircraft Inc.: 6.
16. Chrysler Corp.: 11.
17. Cities Service Co.: 4.
18. Collins Radio Co.: 5.
19. Continental Motors Corp.: 2.
20. Continental Oil Co.: 2.
21. Curtiss-Wright Corp.: 4.
22. Defoe Shipbuilding Co.: None.
23. Douglas Aircraft Co. Inc.: 15.
24. E. I. du Pont de Nemours & Co.: 1.
25. Eastman Kodak Co.: 12.
26. Fairchild Engine & Airplane Corp.: 7.
27. Fairbanks Whitney Corp.: 4.
28. Firestone Tire & Rubber Corp.: 3.
29. Food Machinery & Chemical Corp.: 6.
30. Ford Motor Co.: 5.
31. The Garrett Corp.: 2.
32. General Dynamics Corp.: 54.
33. General Electric Co.: 35.
34. General Motors: Survey being taken.
35. General Precision Equipment Corp.: Not available.
36. General Tire & Rubber Co.: 28.
37. Gilfillan Brothers Inc.: None.
38. B. F. Goodrich Co.: 1.
39. Goodyear Tire & Rubber Co.: 2.
40. Greenland Contractors: Not available.
41. Grumman Aircraft Engineering Corp.: 1.
42. Hayes Aircraft Corp.: 3.
43. Joshua Hendy Corp.: None.
44. Hercules Powder Co. Inc.: 1.
45. Hughes Aircraft Co.: 7.
46. International Business Machine Corp.: 3.

The 100 largest companies ranked by 1958 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, June 1959—Continued

47. International Telephone & Telegraph Corp.: 24.
48. The Johns Hopkins University: 16.
49. The Kaman Aircraft Corp.: 1.
50. Peter Kiewit Sons Co.: 1.
51. Lear, Inc.: 2.
52. Lockheed Aircraft Corp.: 60.
53. Marine Transport Lines, Inc.: 1.
54. Marquardt Aircraft Co.: 2.
55. The Martin Co.: 15.
56. Massachusetts Institute of Technology: Not available.
57. Mathiasen's Tanker Industries, Inc.: 1.
58. McDonnell Aircraft Corp.: 4.
59. Minneapolis Honeywell Regulator Co.: None.
60. Motorola, Inc.: Not available.
61. Newport News Shipbuilding and Dry Dock Co.: 6.
62. North American Aviation, Inc.: 27.
63. Northrop Aircraft Inc.: 16.
64. Olin Mathieson Chemical Corp.: 6.
65. Oman-Farnsworth-Wright: None.

The 100 largest companies ranked by 1958 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, June 1959—Continued

66. Morrison-Knudsen Co., Inc.: 1.
67. Pan American World Airways, Inc.: Not available.
68. Philco Corp.: 17.
69. Radio Corp. of America: 39.
70. The Rand Corp.: 14.
71. Raytheon Mfg. Co.: 17.
72. Republic Aviation Corp.: 9.
73. Richfield Oil Corp.: 4.
74. Ryan Aeronautics Co.: 9.
75. Shell Oil Corp.: None.
76. Sinclair Oil Corp.: 1.
77. Socony Mobil Oil Co.: 1.
78. Sperry Rand Corp.: 12 (Gen. Douglas MacArthur not included).
79. Standard Oil Company of California: Not available.
80. Standard Oil Company of Indiana: Not available.
81. Standard Oil of New Jersey: 1.
82. States Marine Corp.: None.
83. Sundstrand Machine Tool Co.: Not available.

The 100 largest companies ranked by 1958 value of prime military contracts and number of retired colonels or Navy captains and above employed by them, June 1959—Continued

84. Sunray Mid-Continent Oil Co.: None.
85. Sylvania Electric Products, Inc.: 6.
86. Temco Aircraft Corp.: 6.
87. Texaco, Inc.: None.
88. Thiokol Chemical Corp.: 8.
89. Thompson Ramo Wooldridge, Inc.: 6.
90. Tidewater Oil Co.: 3.
91. Tishman (Paul) Company, Inc.: None.
92. Todd Shipyards Co.: 2.
93. Union Carbide Corp.: 4.
94. Union Oil Company of California: None.
95. United States Lines Co.: None.
96. United Aircraft Corp.: 15.
97. Westinghouse Air Brake Co.: 42.
98. Westinghouse Electric Corp.: 33.
99. The White Motor Co.: None.
100. System Development Corp.: 2.

Total: 721.

Source: CONGRESSIONAL RECORD, June 17, 1959, pp. 11044–45. Statement by former Senator Paul H. Douglas.

EXHIBIT C

100 COMPANIES AND THEIR SUBSIDIARIES LISTED ACCORDING TO NET VALUE OF MILITARY PRIME CONTRACT AWARDS

[Fiscal year 1968 (July 1, 1967 to June 30, 1968)]

Rank and name	Thousands of dollars	Percent of U.S. total	Cumulative percent of U.S. total
U.S. total[1]	38,826,625	100.00	100.00
Total, 100 companies and their subsidiaries[2]	26,171,192	67.41	67.41
1. General Dynamics Corp	2,231,488		
Dynatronics, Inc	27		
Stromberg Carlson Corp	7,782		
United Electric Coal Co	42		
Total	2,239,339	5.77	5.77
2. Lockheed Aircraft Corp	1,858,363		
Lockheed Shipbuilding Construction	11,834		
Total	1,870,197	4.82	10.59
3. General Electric Co	1,485,096		
General Electric Supply Co	3,611		
Total	1,488,707	3.83	14.42
4. United Aircraft Corp	1,320,991	3.40	17.82
5. McDonnell Douglas Corp	1,087,660		
Conductron Corp	5,372		
Hycon Manufacturing Co	7,805		
Total	1,100,837	2.84	20.66
6. American Telephone & Telegraph Co	161,405		
Chesapeake & Potomac Telephone Co	13,018		
Illinois Bell Telephone Co	38		
Mountain States Telephone and Telegraph Co	1,872		
New England Telephone & Telegraph Co	549		
New Jersey Bell Telephone Co	529		
New York Telephone Co	152		
Northwestern Bell Telephone Co	235		
Ohio Bell Telephone Co	601		
Pacific Northwest Bell Telephone	160		
Pacific Telephone & Telegraph Co	225		
Southern Bell Telephone & Telegraph	2,178		
Southwestern Bell Telephone	1,197		
Teletype Corp	22,591		
Western Electric Co., Inc	571,177		
Total	775,927	2.00	22.66
7. Boeing Co	762,141	1.96	24.62
8. Ling Temco Vought Inc	50,011		
Altec Services Co	58		
Braniff Airways Inc	46,304		
Continental Electronics Manufacturing Co	4,238		
Jefferson Wire & Cable Corp	151		
Jones & Laughlin Steel Corp	695		
Kentron Hawaii, Ltd	8,549		
L T V Electro systems	123,592		
L T V Aerospace Corp	487,762		
L T V Ling Altec, Inc	886		
Memcor, Inc	25,883		
National Car Rental System	11		
8. Ling Temco Vought Inc.—Continued			
Okonite Co	1,656		
Wilson & Co., Inc	8,299		
Wilson Pharmaceutical & Chemical Corp	16		
Wilson Sporting Goods Co	150		
Total	758,261	1.95	26.57
9. North American Rockwell Corp	668,482		
Remmert-Werner, Inc	159		
Total	668,641	1.72	28.29
10. General Motors Corp	629,515		
Frigidaire Sales Corp	95		
Total	629,610	1.62	29.91
11. Grumman Aircraft Engineering Corp	629,197	1.62	31.53
12. Avco Corp	583,648	1.50	33.03
13. Textron, Inc	18,438		
Accessory Products Co	133		
Bell Aerospace Corp	478,691		
Bell Aerosystems Co	100		
Bostitch, Inc	14		
Camcar Screw Manufacturing Co	80		
Fafnir Bearing Co	1,501		
Fanner Manufacturing Co	66		
Talon, Inc	332		
Textron Electronics, Inc	993		
Townsend Co	297		
Waterbury Farrel	102		
Total	500,747	1.29	34.32
14. Litton Industries, Inc	28,752		
Aero Service Corp	822		
Allis (Louis) Co	1,318		
Alvey Ferguson Co	130		
Clifton Precision Products Co	27		
Eureka X-Ray Tube Corp	33		
Ingalls Shipbuilding Corp	277,289		
Kimball Systems, Inc	22		
Litton Precision Products, Inc	6,829		
Litton Systems, Inc	150,386		
Monroe International, Inc	43		
Profexray, Inc	27		
Royal Typewriter Co., Inc	13		
Total	465,691	1.20	35.52
15. Raytheon Co	431,241		
Amana Refrigeration, Inc	18		
Machlett Laboratories, Inc	19,350		
Micro State Electronics Corp	125		
Raytheon Education Co	926		
Seismograph Service Corp	94		
Total	451,754	1.16	36.68
16. Sperry Rand Corp	447,197	1.15	37.83

Footnotes at end of table.

EXHIBIT C—Continued

100 COMPANIES AND THEIR SUBSIDIARIES LISTED ACCORDING TO NET VALUE OF MILITARY PRIME CONTRACT AWARDS—Continued

[Fiscal year 1968 (July 1, 1967 to June 30, 1968)]

Rank and name	Thousands of dollars	Percent of U.S. total	Cumulative percent of U.S. total
17. Martin Marietta Corp	357,642		
Amphenol-Borg Electronics, GMBH	286		
Bunker Ramo Corp	35,526		
Total	393,454	1.01	38.84
18. Kaiser Industries Corp	97		
Kaiser Aerospace & Electronics Co	5,615		
Kaiser Jeep Corp	295,803		
Kaiser Steel Corp	52,836		
National Steel & Shipbuilding Co	31,983		
Total	386,334	1.00	39.84
19. Ford Motor Co	76,771		
General Micro-Electronics, Inc	170		
Philco Ford Corp	304,403		
Total	381,344	.98	40.82
20. Honeywell, Inc	351,625		
Computer Control Co., Inc	57		
Total	351,682	.91	41.73
21. Olin Mathieson Chemical Corp	329,415	.85	42.58
22. Northrop Corp	182,150		
Hallicrafters Co	33,467		
Northrop Carolina, Inc	26,183		
Page Communications Engineers, Inc	67,934		
Secda, Inc	493		
Warnecke Electron Tubes, Inc	29		
Total	310,256	.80	43.38
23. Ryan Aeronautical Co	133,751		
Continental Aviation & Engineering Corp	39,142		
Continental Motors Corp	111,891		
Wisconsin Motor Corp	8,374		
Total	293,158	.76	44.14
24. Hughes Aircraft Co	285,858		
Meva Corp	251		
Total	286,109	.74	44.88
25. Standard Oil of New Jersey	148		
American Cryogenics, Inc	251		
Enjay Chemical Co	93		
Esso A.G	1,310		
Esso International Corp	114,905		
Esso Ptrol Co., Ltd	92		
Esso Research & Engineering Co	1,164		
Esso Standard Eastern, Inc	340		
Esso Standard Italiana	2,035		
Esso Standard Oil Co., S.A	2,584		
Esso Standard S.A.F	119		
Esso Standard Thialand, Ltd	124		
Humble Oil & Refining Co	121,212		
Total	274,377	.71	45.59
26. Radio Corp. of America	254,961		
RCA Defense Electronics Corp	39		
RCA Institutes, Inc	12		
Total	255,012	.66	46.25
27. Westinghouse Electric Corp	247,664		
Thermo King Corp	1,466		
Thermo King Sales & Service	66		
Westinghouse Electric Supply Co	1,319		
Westinghouse Learning Corp	524		
Total	251,039	.65	46.90
28. General Tire & Rubber Co	11,636		
Aerojet-Delft Corp	979		
Aerojet-General Corp	210,232		
Batesville Manufacturing Co	24,182		
Fleetwood Corp	10		
Frontier Airlines, Inc	21		
General Tire International Co	996		
Total	248,056	.64	27.54
29. International Telephone & Tel Corp	135,713		
Amplex Corp	67		
Barton Instrument Corp	37		
Consolidated Electric Lamp Co	11		
Continental Baking Co	2,194		
Federal Electric Corp	65,499		
ITT Electro Physics Laboratories	2,715		
ITT Gilfillan, Inc	34,809		
ITT Technical Services, Inc	521		
Total	241,566	.62	48.16
30. International Business Machines Co	223,023		
Science Research Associates, Inc	199		
Service Bureau Corp	439		
Total	223,661	0.58	48.74
31. Bendix Corp	214,398		
Bendix Field Engineering Corp	7,426		
Bendix Westinghouse Automotive	175		
Dage Electric Co., Inc	13		
Fram Corp	1,017		
Mosaic Fabrications, Inc	195		
P & D Manufacturing Co., Inc	331		
Total	223,555	.58	49.32
32. Pan American World Airways, Inc	205,652	.53	49.85
33. FMC Corp	175,860		
Gunderson Bros. Engineering Corp	9,406		
Total	185,266	.48	50.33
34. Newport News Shipbuilding & Dry Dock Co	181,248		
Nuclear Service & Construction Co., Inc	61		
Total	181,309	.47	50.80
35. Raymond Morrison Knudsen (JV)	176,000	.45	51.25
36. Signal Cos., Inc.:			
Dunham Bush, Inc	465		
Garrett Corp	114,620		
Mack Trucks, Inc	48,407		
Signal Oil & Gas Co	5,792		
Southland Oil Corp	2,287		
Total	171,571	.44	51.69
37. Hercules, Inc	170,242		
Haveg Industries, Inc	1,119		
Total	171,361	.44	52.13
38. du Pont, E. I. de Nemours & Co	30,662		
Remington Arms Co	193,907		
Total	170,569	.44	52.57
39. Texas Instruments, Inc	169,271	.44	53.01
40. Day and Zimmerman, Inc	166,240	.43	53.44
41. General Telephone & Electronics Corp	93		
Automatic Electric Co	9,682		
Automatic Electric Sales Corp	1,829		
General Telephone and Electronic Lab	273		
General Telephone Co., of Southeast	151		
Hawaiian Telephone Co	4,626		
Lenkurt Electric Co., Inc	8,650		
Sylvania Electric Products, Inc	133,706		
Total	159,010	.41	53.85
42. Uniroyal, Inc	154,163		
Uniroyal International Corp	136		
Total	154,299	.40	54.25
43. Chrysler Corp	146,586		
Factory Motor Parts Co	14		
Total	146,600	.38	54.63
44. Standard Oil Co. of Calif	71,462		
Caltex Asia, Ltd.[3]	1,853		
Caltex Oil Products Co.[3]	61,766		
Caltex Oil Thailand, Ltd.[3]	1,995		
Caltex Overseas, Ltd.[3]	379		
Caltex Philippines, Inc.[3]	436		
Chevron Asphalt Co	50		
Chevron Chemical Co	797		
Chevron Oil Co	2,153		
Chevron Oil Co. of Venezuela	1,610		
Chevron Shipping Co	1,297		
Standard Oil Co., Kentucky	2,297		
Standard Oil Co., Texas	122		
Total	146,217	.38	55.01
45. Norris Industries	139,064		
Fyr Fyter Co	202		
Total	139,266	.36	55.37
46. Texaco, Inc	45,404		
Caltex Asia, Ltd.[3]	1,853		
Caltex Oil Products Co.[3]	61,766		
Caltex Oil Thailand, Ltd.[3]	1,995		
Caltex Overseas, Ltd.[3]	379		
Caltex Philippines, Inc.[3]	436		
Jefferson Chemical Co., Inc	105		
Texaco Antilles, Ltd	88		
Texaco Export, Inc	22,561		

Footnotes at end of table.

EXHIBIT C—Continued

100 COMPANIES AND THEIR SUBSIDIARIES LISTED ACCORDING TO NET VALUE OF MILITARY PRIME CONTRACT AWARDS—Continued

[Fiscal year 1968 (July 1, 1967 to June 30, 1968)]

Rank and name	Thousands of dollars	Percent of U.S. total	Cumulative percent of U.S. total
46. Texaco, Inc.—Continued			
Texaco Puerto Rico, Inc.	2,451		
White Fuel Co., Inc.	984		
Total	138,022	0.36	55.73
47. Collins Radio Co.	134,754	.35	56.08
48. Goodyear Tire & Rubber Co.	55,358		
Goodyear Aerospace Corp.	76,201		
Motor Wheel Corp.	2,046		
Total	133,605	.34	56.42
49. Asiatic Petroleum Corp.	132,796	.34	56.76
50. Sanders Associates, Inc.	130,830		
Mithras, Inc.	481		
Total	131,311	.34	57.10
51. Mobil Oil Corp.	128,065	.33	57.43
52. TRW Inc.	126,363		
Globe Industries, Inc.	348		
International Controls Corp.	672		
Ramsey Corp.	14		
United-Carr, Inc.	70		
Total	127,467	.33	57.76
53. Mason & Hanger Silas Mason Co.	127,064	.33	58.09
54. Massachusetts Institute of Technology (N)	124,143	.32	58.41
55. Magnavox Co.	123,100	.32	58.73
56. Fairchild Hiller Corp.	121,165		
Burns Areo Seat Co., Inc.	94		
Total	121,159	.31	59.04
57. Pacific Architects & Engineers, Inc.	120,895	.31	59.35
58. Thiokol Chemical Corp.	119,363	.31	59.66
59. Eastman Kodak Co.	117,566		
Eastman Chemical Products Corp.	51		
Eastman Kodak Stores, Inc.	706		
Total	118,323	.30	59.96
60. United States Steel Corp.	108,322		
Reactive Metals, Inc.	161		
United States Steel International, Inc.	7,679		
Total	116,162	.30	60.26
61. American Machine & Foundry Co.	108,871		
Cuno Engineering Corp.	1,052		
Total	109,923	.28	60.54
62. Chamberlain Corp.	104,441	.27	60.81
63. General Precision Equipment Corp.:			
American Meter Controls, Inc.	29		
Controls Co. of America	377		
General Precision Decca Systems	90		
General Precision Systems, Inc.	86,361		
Graflex, Inc.	1,571		
Industrial Timer Corp.	15		
National Theatre Supply	16		
Strong Electrical Corp.	3,605		
Tele-Signal Corp.	9,686		
Vapor Corp.	2,194		
Total	103,944	.27	61.08
64. Lear-Siegler, Inc.	74,000		
American Avitron	43		
L S I Service Corp.	27,526		
Transport Dynamics, Inc.	685		
Verd A Ray Corp.	18		
Total	102,272	.26	61.34
65. Harvey Aluminum, Inc.	25,048		
Harvey Aluminum Sales	74,045		
Total	99,093	.26	61.60
66. National Presto Industries, Inc.	96,886	.25	61.85
67. Teledyne, Inc.	77,173		
Adcom, Inc.	309		
Amelco, Inc.	4,146		
Continental Device Corp.	27		
Crystalonics, Inc.	13		
Electro Development Co.	50		
Geotechnical Corp.	25		
Getz William Corp.	128		
Gill Electric Manufacturing Corp.	517		
Hydra Power Corp.	1,017		
Irby Steel Co.	59		
Isotopes, Inc.	802		
Landis Machine Co.	22		
Micronetics, Inc.	346		
Microwave Electronics Corp.	30		
67. Teledyne, Inc.—Continued			
Milliken, D. B., Co., Inc.	1,024		
National Geophysical Co., Inc.	92		
Ordnance Specialties, Inc.	24		
Packard Bell Electronics Corp.	6,504		
Penn Union Electric Corp.	11		
Pines Engineering Co., Inc.	158		
Rodney Metals, Inc.	11		
Wah Chang Corp.	26		
Total	92,514	0.24	62.09
68. City Investing Co.:			
American Electric Co.	35,966		
Hayes Holding Co.	49,002		
Rheem Manufacturing Co.	1,857		
Wilson Shipyard, Inc.	164		
Total	86,989	.22	62.31
69. Colt Industries, Inc.	2,258		
Chandler Evans, Inc.	10,087		
Colts, Inc.	68,989		
Elox Corp.	194		
Fairbanks Morse, Inc.	4,582		
Pratt & Whitney, Inc.	436		
Total	86,546	.22	62.53
70. Western Union Telegraph Co.	79,299	.20	62.73
71. American Manufacturing Co. of Texas	76,552	.20	62.93
72. Curtiss Wright Corp.	74,799		
Comet Tool & Die Co.	350		
Zarkin Machine Co.	275		
Total	75,424	.19	63.12
73. White Motor Co.	15,976		
Hercules Engines, Inc.	58,610		
Minneapolis Moline, Inc.	394		
Total	74,980	.19	63.31
74. Aerospace Corp. (N)	73,541	.19	63.50
75. Cessna Aircraft Co.	71,834		
Aircraft Radio Corp.	1,076		
Total	72,910	.19	63.69
76. Emerson Electric Co.	63,776		
Pace, Inc.	68		
Rantec Corp.	31		
Ridge Tool Co.	26		
Supreme Products Corp.	8,807		
Wiegand (Edwin L.) Co.	134		
Total	72,842	.19	63.88
77. Seatrain Lines, Inc.	42,039		
Commodity Chartering Corp.	1,667		
Hudson Waterways Corp.	22,547		
Transeastern Shipping Corp.	4,348		
Total	70,601	.18	64.06
78. Gulf Oil Corp.	66,934		
Goodrich Gulf Chemicals Inc.	81		
Gulf Oil Trading Co.	259		
Pittsburgh Midway Coal Mining Co.	104		
Total	67,378	.17	64.23
79. Condec Corp.	65,162		
Consolidated Controls Corp.	1,587		
N J E Corp.	155		
Total	66,904	.17	64.40
80. Motorola Inc.	65,715		
Motorola Overseas Corp.	218		
Total	65,933	.17	64.57
81. Continental Air Lines Inc.	64,523	.17	64.74
82. Federal Cartridge Corp.	64,519	.17	64.91
83. Hughes Tool Co.	62,353	.16	65.07
84. Vitro Corp of America	59,674		
Vitro Minerals Corp.	1,471		
Total	61,145	.16	65.23
85. Johns Hopkins University (N)	57,674	.15	65.38
86. Control Data Corp.	50,225		
Associated Aero Science Labs, Inc.	1,891		
CEIR, Inc.	852		
Control Corp.	142		
Electronic Accounting Card Corp.	723		
Pacific Technical Analysts, Inc.	1,705		

Footnotes at end of table.

EXHIBIT C—Continued

100 COMPANIES AND THEIR SUBSIDIARIES LISTED ACCORDING TO NET VALUE OF MILITARY PRIME CONTRACT AWARDS—Continued

[Fiscal year 1968 (July 1, 1967 to June 30, 1968)]

Rank and name	Thousands of dollars	Percent of U.S. total	Cumulative percent of U.S. total
86. Control Data Corp.—Continued			
TRG, Inc.	1,264		
Total	56,802	0.15	65.53
87. Lykes Corp.	55,247		
Gulf South American Steamship Co.	683		
Total	55,930	.14	65.67
88. McLean Industries, Inc.			
Equipment, Inc.	5,902		
Gulf Puerto Rico Lines, Inc.	259		
Sea-Land Service, Inc.	49,751		
Total	55,912	.14	65.81
89. Aerodex, Inc.	55,345	.14	65.95
90. Susquehanna Corp.	2,415		
Atlantic research Corp.	51,452		
Xebec Corp.	886		
Total	54,753	.14	66.09
91. Sverdrup Parcel Association Inc.	1,396		
Aro, Inc.	53,165		
Total	54,561	.14	66.23
92. States Marine Lines, Inc.	54,015	0.14	66.37
93. Hazeltine Corp.	53,781	.14	66.51
94. Atlas Chemical Industries, Inc.	53,574	.14	66.65
95. Vinnell Corp.	51,609	.13	66.78
96. Harris-Intertype Corp.	913		
Gates Radio Co.	796		
PRD Electronics, Inc.	20,613		
Radiation, Inc.	29,156		
Total	51,478	.13	66.01
97. World Airways, Inc.	51,358	.13	67.04
98. International Harvester Co.	51,271	.13	57.17
99. Automatic Sprinkler Corp. of America	50,395		
Badger Fire Extinguisher Co.	38		
Total	50,433	.13	67.30
100. Smith Investment Co.:			
Smith, A. O. Corp.	40,323		
Smith, A. O. of Texas	9,998		
Total	50,321	.13	[4] 67.43

[1] Net value of new procurement actions minus cancellations, terminations, and other credit transactions. The data include debit and credit procurement actions of $10,000 or more, under military supply, service and construction contracts for work in the United States plus awards to listed companies and other U.S. companies for work overseas. Procurement actions include definitive contracts, the obligated portions of letter contracts, purchase orders, job orders, task orders, delivery orders, and any other orders against existing contracts. The data do not include that part of indefinite quantity contracts that have not been translated into specific orders on business firms, nor do they include purchase commitments or pending cancellations that have not yet become mutually binding agreements between the Government and the company.

[2] The assignment of subsidiaries to parent companies is based on stock ownership of 50 percent or more by the parent company, as indicated by data published in standard industrial reference sources. The company totals do not include contracts made by other U.S. Government agencies and financed with Department of Defense funds, or contracts awarded in foreign nations through their respective governments. The company names and corporate structures are those in effect as of June 30, 1968, and for purposes of this report company names have been retained unless specific knowledge was available that a company had been merged into the parent or absorbed as a division with loss of company identity. Only those subsidiaries are shown for which procurement actions have been reported.

[3] Stock ownership is equally divided between Standard Oil Co. of California and Texaco, Inc; half of the total of military awards is shown under each of the parent companies.

[4] Does not agree with percentage shown on 2d line at beginning of table due to rounding.

EXHIBIT D

RETIRED OFFICERS AT OR ABOVE THE RANK OF COLONEL, OR THE EQUIVALENT, WHO ARE OFFICIALS OR EMPLOYEES OF THE NAMED COMPANIES

Aerodex Inc. (5): Randolph E. Churchill, Burl B. Davenport, Harold V. Pletts, Clare Bunch, Roy Z. Peck.

Aerospace Corp. (6): Charles A. Brown; James H. Cox, Jr.; Lawrence D. Ely; Manley C. Osborne; John G. Urban; Curtis F. Vossler.

American Machine & Foundry Co. (7): Carl J. Baldick, John A. Bartol, R. Q. Brown, Leonard T. Coupland, John R. Leeds, George A. Roll, Allan W. Stephens.

American Manufacturing Co. of Texas: none.

American Telephone & Telegraph Co. (9): B. E. Shumate; Forrest M. Price; William C. Bishop; C. Unnevehr; R. E. Van Liew, John H. Schulte, M.D.; James H. Weiner; E. A. Kenny; W. W. Sturdy.

Asiatic Petroleum Corp.: none.

Atlas Chemical Industries Inc.: none.

Automatic Sprinkler Corp. America (3): Allen W. Glienke, Preston J. Hundley, L. T. Shuler.

AVCO Corp. (23): James R. Kerr, Lawrence B. Ocamb; Jackson Dew; Ben Legare; Beverly Warren; Elmer T. Dorsey; Arthur C. Cox; George A. Tuttle; John D. Edmunds; Loran J. Anderson; E. David Reynolds; John M. Ferris; John A. Anderson.

David W. Stonecliffe; Yale H. Wolfe; Edward J. Cleary; Edgar R. Kay; D. McAneney; John E. Heath; Evan F. Bourne, Jr.; Ted Hodgkins; Gordon Newell; T. Kirkpatrick.

Bendix Corp. (25): Emery E. Bellonby; Dr. Laurence J. Legere; Frederick Kenneth Nichols; Jack D. Koser; John M. Chapman; Donald Kirkpatrick, Jr.; Raymond H. Bass; Eugene I. Malone; Herbert K. Anderson; Winfred A. Ross; Andrew M. Sinclair; John F. Miller, Jr.

George A. Dugas; Charles F. H. Begg; John W. Wise; C. W. Stelle, M.D.; C. F. Watkins; E. E. Matchett; L. F. Mathison; Donald A. Briola; Franklyn E. Moffitt; Lucius A. Perry; William R. Poindexter; Frederick N. Russell; Richard C. Shangraw.

Boeing Co. (169): Donald C. Almy; George L. Bennett; Eugene A. Blue; Charles W. Boedeker; Robert V. Bowler; Loyd W. Brenneman; Harvey S. Browne; Thomas W. Brundage; Roy T. Bucy; Edward S. Burns.

Elbert S. Churchill; William A. Clark; Peter V. Colmar; Emmett V. Conkling; Leslie W. Cowan; John W. Crosby; Henry Cushman; John H. Dacus; Stanley A. Dallas; Frederick E. Dally.

Lorin R. Dedrickson; Francis R. Delaney; Nicholan S. Detolly; Donald B. Diehl; Leonard F. Dow; Gordon R. Egbert; Donald A. Elliott; Richard M. Fernbaugh; Earl R. Finney, Jr.; Joseph O. Fitzgerald.

Oscar F. Fowler; Gilbert F. Friederichs; Max S. George; Ritchie B. Gooch; Donald E. Good; Timothy J. Guinan; Charles H. Haase; Robert H. Hahnemann; George W. Haney; Felix M. Hardison.

Richard D. Harwood; William P. Hawley; Harold T. Henderickson; Max W. Henney; Jesse G. Henry; Joseph M. Hermanson; Theodore R. Hikel; Lauri J. Hillberg; Francis R. Hoehl; Robert Irvine.

Albert W. James; Ervin L. Keener; John G. Kneeland; Sanford Knotts; Donald F. Krick; Nathan L. Krisberg; Raymond J. Lacombe; Porter Lewis; Stanley C. Lewis.

Edwin Loberg; John N. Longfield; Henry M. Marshall; Frederick W. Maxwell, Jr.; James L. McCallum; William F. McLaren; Howard E. Michelet; John R. Middleton; Frank J. Muller; Edmund E. Novotny.

Homer R. Oldfield; John Palowez; Robert R. Perry; Daniel A. Ranney; Orville H. Rehmann; Robert H. Richard; William E. Ruark; Mills S. Savage; William Scarpino; F. D. Schwartz.

John D. Seaberg; John R. Smith; Houck Spencer; Raymond M. Staley; Clyde B. Stevens, Jr.; Robert R. Stewart; Roy A. Tate; Paul Van Leunen, Jr.; Thomas R. Waddleton; Paul E. Wallace.

Floyd Wikstrom; Sherman Wilkins; David M. Williams; Robert J. Wilson; Richard A. Zais; Heber J. Badger; Louis K. Bliss; Clingmon E. Bowman; Merle C. Brown; Gerald L. Cameron.

Thomas J. Colley; Joseph A. Coppola; Ercla De Tenley; John M. Devane, Jr.; Frank H. Drake; Robert G. Ellis; Jack Fitzgerald; Louis W. Ford; Robert F. Harris; Paul F. Helmick.

Donald E. Hillman; James L. Jacobson; Lionel F. Johnson; Albert L. Jones; George A. Kirsch; Arthur M. Lien; Tyler R. Matthew; Anthony J. Maurel; David W. McFarland; Kenneth G. Miles.

Robert W. Millar; Arthur J. Mills; James S. Muzzy; Marshall W. Nicholson; Guy E. Oneil, Jr.; Samuel P. Parsons; Jesse C. Peaslee; Howard B. Seim; Gordon K. Sherman; Robert W. Siegismund.

Gregory J. Skinner; Donald D. Steele; Charles B. Stewart; Raymond D. Swett; David A. Tate; Raymond S. Thompson; Harlan C. Wilder; Robert M. Wray; James B. Burrow; Weston H. Price.

Phillip G. Cobb; Joe G. Duvall; Frank J. Malloy; James F. McRoberts; Reginald W. Wagner; Hugh D. Wallace; Victor W. Alden; Ira K. Blough, Jr.; John F. Carey; Robert L. Cochran.

William M. Davis; Glen O. Goodhand; David W. Hassemer; Orville Hegseth; Leroy P. Hunt, Jr.; Bruce K. Lloyd; James R. Locher, Jr.; John H. Martin; Harold Mitchener; Edward L. Nielsen.

John T. Pierce, III; Barclay T. Resler; Robert T. Simpson; Charles S. Tanner; Clyde D. Gasser; Robert A. Hartnett; William J. McGinty; G. L. Meyers; E. M. Parker; J. S. Russell.

Cessna Aircraft Co.: None.

Chamberlain Corp. (3): John M. Ulrich; William G. Kussmaul; O. D. Moore.

Chrysler Corp. (11): Arthur J. Schultz, Jr.; Parnag Adamian; John W. Guerin, M.D.; William J. Parsons; Joseph J. Schmidt; Gerald E. Moore; Frederick O. Rudesill; John L. Hornor, Jr., William T. Weissinger; William G. Johnson; James M. Nifong.

City Investing Co. (4): Russell B. Sell; George B. Hooker, Jr.; I. R. Mollen; R. W. VanWert.

Collins Radio Co. (3): R. G. Bounds, Jr.; Richard A. Hansen; J. B. Yakeley, Jr.

Colt Industries, Inc. (4): Edward J. Hale, Thomas E. Bass, Gilbert Schumacher, Joseph Rinehart.

Condec Corp. (1): Lucas V. Beau.

Continental Air Lines Inc. (4): George P. Caldwell, Phil Parrott, M. P. Barnwell, F. W. Scheible.

Control Data Corp. (14): Stanley W. Phillips, C. A. Ousley, S. P. Steffes, Joseph Hannah, Frederick J. Karch, Ward T. Shields, Ralph F. Bishop, Cleland Early, Francis J. Berry, Charles W. Turner, Edgar Doleman, W. H. Fleming, Merlin Olson, Earle L. Lerette.

Curtiss Wright Corp. (1): John Condon.

Day & Zimmerman Inc. (1): Augustus M. Minton.

Dupont, E. I. De Nemours & Co. (3): Philip J. Smith, Charles K. Morris, Thomas J. Sharpe.

Eastman Kodak Co. (15): K. C. Raynor, H. D. Parmelee, W. Herrington, R. E. O'Neill, J. F. Reinhard, D. L. Willis, C. LaPorte, E. K. Smith, W. M. Steele, G. P. Carter, K. D. Gallinger, H. Hickman, J. R. Hoff, R. Koch, J. A. Newton.

Emerson Electric Co. (3): Ralph J. Nunziato, Lester Personeus, Robert L. Morris.

Fairchild Hiller Corp. (7): C. G. Botsford; T. M. Ashton; J. C. Stockett, Jr.; J. Pfaff; J. W. Gurnow; C. Bussey; J. Colovin.

Federal Cartridge Corp. (1): Howard L. Bartholomew.

F. M. C. Corp. (6): Wood B. Kyle, W. Paul Johnson, Barney D. White, Michael J. Sisul, Henry H. Wishart, Millard B. Hodges.

Ford Motor Co. (53): Dr. Carroll Hungate; R. C. Hyder; P. N. Gillon; A. Whitley; G. O. Hackett; E. Dreiss; S. S. Jack; B. O. Norman; C. E. Rankin; Dr. R. L. Weir.

D. H. Yielding; J. W. Bensen; W. R. Ewing; E. S. Garner; G. G. Getz; E. G. Kar; W. E. Kooken; Dr. C. E. Mack; W. Minton; G. D. Moore; L. B. Sarnham.

R. Miller; W. E. Smith; R. Taylor; G. N. Wilcox; W. P. Ennis; W. G. Hipps; R. T. Herget; N. B. Gibson; J. D. Luse; R. W. McNamee, Jr.; R. E. Smith.

C. W. Abbitt; N. D. Burnside; V. F. Creighton; E. E. Crowell; C. L. Elder; W. Hagin; A. A. Kurz; A. Martin; T. N. Natt; H. L. Norwood; A. R. St. Angelo.

General Dynamics Corp. (113): R. P. Alexander; Charles F. Alfano; Stanley E. Allen; H. T. Alness; E. Arentzen; L. C. Baldauf; Roger Banner; George E. Botswick; P. Branson; Willima Budding, Jr.

Berton H. Burns; Luther W. Burns; William R. Calhoun; Walter E. Chambers; C. W. Cecil; Ovle D. Clark; E. P. Coffey; Charles Cushman; L. P. Daniels; Charles Daval, Jr.

J. P. Dawley; Alfred J. Diehl; Donald G. Dockum; R. Evans; J. S. Fahy; H. Field; Lawrence G. Forbes; A. E. Freedman; Terrence A. Freeman; A. P. Gandy.

Philip Glennon; G. P. Gould; Edward Hamby; Otha B. Hardy, Jr.; J. T. Hayward; Charles E. Healy; J. B. Hess; Blish Hills; Florian A. Holm; C. F. Horne.

W. Jeancon; James K. Johnson; W. M. Kasper; H. Kay; J. W. Kelly; C. S. Kingston; S. B. Keonig; R. V. Laney; D. L. Lassell; C. P. Lessig.

E. M. Link, Jr.; William A. Looney; Frank Lynch; J. M. MacInnes; Herbert Mandel; W. J. Mang; W. C. Manicom; William Marchesi; William H. Markos; Wallace S. Martin; F. N. Masuen.

J. P. McCann; B. J. McCarrol; C. C. McCutoheon; F. A. McGee; Howard J. McIntire; R. E. L. Michie; Leo C. Moon; H. W. Moore; H. E. Moose; Robert E. Morris; Lawrence Mowell.

Daniel C. Mulloney; James R. Munro; O. B. Nelson; P. Niekum; James D. Nutt; Frank L. O'Brien; J. Oldfield; Robert Page; C. Palmer; A. C. Perry.

R. H. Prothero; Harold A. Radetsky; A. W. Reed; Henry G. Reed; Vendor H. Reeder; Arthur C. Reinhart; H. Reiter; James Reynolds; Elmer W. Richardson; J. B. Robinson, III.

C. I. Ross, Jr.; Columbus Savage; Fred C. Schmidt; John Schmidt; T. S. Sedaker; R. M. Sewall; L. E. Shea; W. M. Shewbart; Shyrock, W. H.; Peter Smenton.

George Smith; R. E. Soper; I. Sykes, Jr.; M. Tremaine; Russell F. Trudeau; S. J. Veneziano; Willima Weisert; Harold A. Wilging; R. L. Wolf; John F. Yoder; M. R. Yunk.

General Motors Corp. (17): Francis Box; L. R. Braswell, M.D.; W. C. Chapman; E. H. Eddy; L. C. Freeman, Jr.; G. G. Garton; E. Gray; T. W. Howell, M.D.; R. P. Klein; E. L. Knapp; A. E. Lancaster; C. Momsen, Jr.; W. Moore; W. F. Patient, M.D.; A. J. Shower; J. L. Wagner; G. H. Minor.

General Precision Equipment Corp. (23): George Le Breche; Robert J. Lynch; Guy B. Richardson, Jr.; Russell Gardinier; George J. Keithley; Robert Wilson; Thomas Dickens; J. A. Scott; Raymond Du Bois; Scott Lathrop; John O'Halloran.

Donald Olson; H. F. Duffey; Williard W. Smith; Wayne O'Hern; William Romberger; Richard Horridge; Edward Penneybaker; Ward Witter; Frank Mears; Norman Jungers; A. E. Kraps; H .E. Fry.

General Telephone & Electronics Corp. (35): A. B. Newhouse; George W. Carrington, Jr.; Harold E. Bleau; Cecil V. Broadway; Martin E. Wilson; John Becker; Harry Jost; Carl D. Broein, Jr.; Dr. William L. Smith; James Cochran; George Newton.

Elliot Wilson; Alexander G. Evanoff; William C. Golladay; Dave O. Sprankle; C. M. Christensen; G. W. England; L. E. Swope; O. W. Miller; W. C. Newbauer; P. A. Gugliotta; T. H. McKenzie; C. H. Bowen.

S. Trusso; P. E. Greenlee; F. N. Miller; E. D. Vaughan; L. Loken; M. L. Cripe; J. R. Blackburn; G. R. Trimble; Norbert Miller; William Scandrett; Francis D. Walker; Robert B. Keagy.

General Electric Co. (89): Names not yet provided.

General Tire & Rubber Co. (32): L. F. Ayres, F. N. Lebershall, W. J. Robinson, L. H. Schofield, James M. Farrin, William Willman, John A. Martin, Francis F. Parry, Douglas S. Barker, Sam Burno, George N. Eisenhart.

Arthur Bouvier, John E. Hausman, Arron L. Johnson, George Y. Jumper, Warren E. Oliver, Harry C. Smith, Robert A. Thompson, Ed Hribar, Albert C. Wells, Walter W. Woodard, Solomon J. Zoller.

Arthur J. Barrett, Donald J. Iddins, Robert L. Kelly, W. F. Raborn, R. B. Pirie, B. A. Schriever, Clyde Eddleman, Ed O'Neil, Fred Hayden, F. F. Everest.

Goodyear Tire & Rubber Co. (6): F. G. Selby, W. F. Cassidy, P. L. Dixon, P. S. Peca, M. E. Galusha, H. H. McIntosh.

Grumman Aircraft Engineering Corp. (31): John Breehl; Herbert Mosca; Paul Hoeper; Emerson Fawkes; Francis Gabreski; Richard Centner; John Courtney, Jr.; Charles Michaels; Alan Strock; James Moore.

Dave Dillard; Jack Nicholas; John Shinkle; Gus Macri; Tom Meritt; Dean Swain; Widmer Hansen; Roy Voris; William Spiegel; Frank Edwards; Boyd McElhany.

William Ditch; Loys Satterfield; Elbert Stever; Ross Mickey; Fred Schroeder; Joseph Rees; Fred Oliver; John Koch; William Clampet; Arthur Warner, Jr.

Gulf Oil Corp. (1): H. W. Blackwood.

Harris-Intertype Corp. (4): A. W. Sissom, M. F. Skinner, Grayson Merrill, F. A. Escobar.

Harvey Aluminum Inc.: Joseph Metzger, Homer G. Barber, Alfred Kaufman, Ed Miller.

Hazeltine Corp. (7): N. K. Dietrich, R. I. Olson, A. J. Stanziano, S. M. Thomas, Oswald S. Colclough, Jennings B. Dow, John Slezak.

Hercules Inc. (13): Charles E. Jordan; Leland S. McCants, Jr.; Robert S. Kittel; John W. Sevareid; Walter J. Fellenz; James H. Traul; W. M. Pierce; Joel W. Salter; Lewis A. Jones; Frank C. Tyrrell; Homer H. Nielsen; Jay V. Chase; Kenneth J. Latimer.

Honeywell Inc. (26): W. C. Bergstedt; G. E. Chalmers; J. W. Cunnick, III; C. L. Davis; M. Esch; H. Gorman; J. Hardy; B. Harris; W. T. Herring; K. C. Houston; B. Jones; J. Jones; F. H. LaMurre.

J. P. Laurin; W. D. McDowell; J. G. Merz; A. Poehler; C. Putman; L. J. Rasmussen; D. Schweitzer; L. Sherman; C. F. Spencer; E. B. Stansbury; J. J. Wermuth; J. L. Wilson, Jr.; P. Wyman.

Hughes Aircraft Co. (55): J. A. Barrett; F. W. Coleman, III; G. E. Erb; C. H. McKinney; M. L. Martin; J. H. Allen; L. V. Barr; J. L. DeBoer; G. Guy; V. Hayes.

J. E. Holligan; M. W. Kernkamp; W. L. Schreiber; W. R. Shanahan; L. Tamanian; E. R. Vanderburg; R. W. Worthington; R. R. Yeaman; W. H. Baynes; H. J. Blanchard; R. L. Bothwell; M. W. Boyer.

J. R. Brown; R. H. Caldwell; E. S. Davis; J. E. Davoli; J. L. Dickson; G. A. Doersch; C. B. Downer; J. G. Foster; C. H. Gerlach; G. P. Gibons; J. F. Greco; S. W. Heinonen.

R. S. Hill; J. W. Hiney; B. H. Hinton; R. Hogg; J. W. Hough; W. G. Jackson, Jr.; S. W. Josephson; D. F. Logan; G. E. Marcus, Jr.; H. Reich; R. W. Rood.

C. U. Ruzek, Jr.; J. G. Sliney; R. M. Smith; P. Sowa, Jr.; L. F. Upson, Jr.; P. B. Woodward; H. H. Green; R. W. Lindgren; E. H. Beverly; V. R. Woodward.

Hughes Tool Co. (13): E. R. Eastwold, G. H. Whisler, A. G. Russell, C. C. Bliss, N. R. Hoskot, R. W. Hanson, Clark W. Ecton, John R. McQueen, William F. Borellis, Merle G. Coombs, L. T. Ryhlick, E. H. Nigro, Jerome Triolo.

International Business Machines Co. (35): R. W. Arthur, S. F. Balaban, R. M. Brewer, J. S. Carpenter, D. M. Clark, J. T. Cockrill, E. M. Collins, E. F. Comstock, R. W. Curtis, T. A. Daffron, J. E. Dyar.

H. B. Ferrill, C. W., Glassen, H. H. Greer, R. Hatch, W. Hussey, M. M. Kovar, H. A. Lazott, T. H. Lewis, IV, M. Lind, H. T. Neal, E. O'Connor, T. C. Odom.

J. E. Schwager, R. B. Smith, C. H. Strong, W. B. Stubbs, R. W. Swanson, T. M. Taylor, H. C. Weadler, F. J. Wesley, R. C. Whittman, S. C. Wilson, B. H. Witham, J. F. Wood.

International Harvester Co. (6): Donald I. Thomas, Bud K. Beaver, Richard K. Margetts, Roger E. Strasburg, A. J. Norris Hill, Robert Etzkorn.

International Telephone & Telegraph Corp.: Not available at the time of preparation.

Johns Hopkins University (11): Not available at the time of preparation.

Kaiser Industries Corp. (11): Stanley J. Benkoski, Stirling S. Cook, M.D., J. G. Capka, F. W. Hastings, F. T. Matthias, E. G. Peacock, E. J. Stann, D. C. Christensen, F. A. Gunn, A. K. Romberg, J. B. Conners.

Lear Siegler Inc. (4): John K. Gerhart, Charles A. Roberts, V. L. Anderson, Frank A. Koszarek.

Ling Temco Vought Inc. (69): Herbert George Bench; Chester Arthur Briggs; George Budway; Francis Taylor Cooper; Marshall Pierce Deputy, Jr.; L. R. Bell; G. B. Kaiser; George Hundt, Jr.; F. S. Grutze, Jr.; E. S. Hartshorn, Jr.

H. B. Hardin, Jr.; D. F. Starr; R. P. Brett; G. P. Disosway; Alex Wilding; A. H. Perry; W. B. Taylor; J. E. Arnold; C. R. Eldredge; E. C. Ethell; G. E. Frency; Jr.

P. D. Green; C. B. Grimm; G. W. Jackson; C. C. Kennedy; H. E. Lucas; W. B. Packard; R. W. Priest; M. E. Riley; A. E. Shook; T. E. Stewart.

H. A. Templeton; O. O. Turner; P. H. Van Sickle; E. F. Klinck; G. B. Lotridge, M. Blaylock; J. B. Cline; A. B. Conner; D. E. Dressendorfer; R. P. Field.

W. C. Gammon; A. C. Holt; W. W. Kitts; C. A. Knight; R. W. Windsor; C. A. Yontz; J. K. Dill; A. B. Galatian; E. M. Hargrave.

H. G. Russell; F. R. Ulrich; M. J. Piatnitza; O. S. Kincannon; D. R. Schultze; B. D. Wood; M. G. Haines; R. E. Baker; F. B. Frost; R. W. Stanley.

V. Kellan; R. C. Gales; H. W. Russell; B. K. Sams; W. J. McIntyre; E. B. Gladding; Herman Rumsey; Claude Duke; R. C. Drum.

Litton Industries, Inc. (49): Albert B. Scoles; Norman F. Garton; Rue Green; John B. Rawlings; H. S. Isaacson; Richard D. Dick; Donovan P. Yeuell, Jr.; James H. Courtney; Ben Wade.

G. L. McKee; Millard J. Smith; Roy W. Ballard; Earl Paules; A. Barney Oldfield; John D. Prodgers; Harry C. Cox; John W. Gilluly; Olav Njus; Carl H. Stober.

Richard R. Bradley, Jr.; Leonard Erb; Francis P. Cuccias; G. M. McHaney; Van Beck; Alfred Gallant; J. R. Reeves; J. L. Reed; Philip R. Deubler; David McIntosh.

Robert F. Pope; Charles J. Schroder; Joseph L. Brack; Everett M. Glenn; Arthur W. Johnsen; Dr. F. D. Minerva; Peter E. Romo; Thomas C. Gurley; Floyd B. Schultz, Ken Huff; P. L. Freeman.

Kenneth C. Boyce; C. B. Curtis; Lawrence Vivian; Lewis O. Smith; H. L. Kubel; W. O. Roemer; T. Melusky; Kenneth M. Beyer; Edgar B. Gravett.

Lockheed Aircraft Corp. (210): L. C. Craigie; L. I. Davis; W. W. Dick, Jr.; D. L. Lay; E. M. Lightfoot; E. L. Robbins; J. H. Sides; B. E. Steadman; R. A. Trennert; W. R. Tuck.

W. P. Abdallah; J. Y. Adams; R. C. Anderson; J. O. Appleyard; N. C. Appold; C. F. Bailey; F. E. Bardwell; J. A. Barker; R. O. Beer; J. E. Bennett.

J. S. Blais; J. M. Bowers; G. M. Boyd; C. W. Brigham; N. S. Brooks; K. E. Brown; P. Brown; R. F. Buckley, Jr.; C. C. Cain; D. C. Campbell.

E. A. Carter; J. W. Chapman; S. E. Clark; W. A. Cloman, Jr.; R. L. Colligan, Jr.; T. L. Conroy; G. S. Curtis, Jr.; H. E. Day, Jr.; H. O. Deakin; V. Deitchman.

R. L. Denig, Jr.; A. W. Dill; J. C. Dillow; N. G. Doukas; W. Dubyk; J. M. Elliott; C. L. Ewald; M. H. Floom; T. P. Floryan; J. E. Fox.

B. C. Fulghum; B. I. Funk; A. J. Gardner; V. M. Genez; R. R. Gideon; W. J. Giles, Jr; F. E. Gorman; J. B. Green; H. J. Halberstadt; F. L. Harris.

W. A. Hasler, Jr.; B. W. Heckemeyer; F. G. Henry; P. J. Heran; H. J. Heuer; S. W. Hickey; J. B. Honan; E. F. Hoover; D. A. Hornby; M. H. Hubbard.

J. F. Johnston; R. D. King; J. F. Kinney; E. F. Klinke; J. B. Koenig; C. H. Kretz, Jr.; B. A. Lawhon; B. L. Lubelsky; J. H. Mackin; R. H. Maynard.

R. C. McGlashan; R. B. McLaughlin; F. J. Mee; R. M. Metcalf; E. W. Miles; G. C. Moore; L. W. Morefield, Jr.; W. E. Moring; J. F. Mullen, Jr.; E. G. Mulling, Jr.

S. Neman; J. R. Nickel; F. C. E. Oder; E. G. Osborn; G. L. Ottinger; W. B. Parham; R. A. Paton; P. B. Peabody; R. W. Peterson; J. J. Preston.

K. J. Prim; J. J. Randazzo; Q. A. Riepe; W. H. Rowen; E. A. Sandor; L. Saxton; M. S. Schmidling; M. J. Senn; M. W. Shea; W. A. Sheppard.

J. L. Shoenhair; J. E. Shuck; C. C. Smith; H. J. Smith, Jr.; V. C. Smith; W. R. Smith, III; B. F. Such; W. A. Sullivan; P. E. Summers; W. L. Tagg.

J. H. Terry; H. F. Thompson; R. C. Thorburn; P. E. Villars; A. H. Walton; V. E. Warford; I. E. Wetmore; E. R. White; R. K. Worthington; N. C. Anderson.

C. H. Andrews; M. H. Austin; B. Battino; J. Beyer; H. G. Bradshaw; J. R. Brown; F. D. Buckley; L. K. Carson; R. F. Cassidy; R. R. Catterlin.

L. D. Coates; V. J. Coley, Jr.; S. H. Dodge; D. J. Gehri; D. Gordon; M. B. Hammond; D. E. Huey; L. E. Ireland; K. J. Kirk, Jr.; A. L. Logan.

J. Lynn; T. L. Macleod; R. McMillan; M. W. Munk; R. A. Neale; J. L. Neefus; J. A. Seargeant; R. A. Shane; R. Steinbach; J. H. Voyles, Jr.

E. Watts, Jr.; J. Arnold, Jr.; J. F. Brewer; G. K. Crain; H. C. Krim, Jr.; L. W. Congdon; R. N. Davie; R. A. Erdin; E. F. Estrumse; W. A. Harmon.

C. E. Harris; H. B. Heyer; C. C. Hoffman; L. R. Hopper; R. P. Loughrey; W. M. Massengale; R. K. McDonough; B. H. Meyer; W. L. Moore, Jr.; H. L. Parris.

J. W. Perry; O. K. Reynolds; W. W. Riser, Jr.; H. S. Sabatier; R. C. Sears; L. G. Sidwell; L. A. Tenold; J. W. Tooley; E. A. Waterfill; K. S. Wilson.

D. H. Christensen; R. H. Fagan; J. M. Jones; G. E. Price; E. C. Wittenbach; C. L. Clay; A. J. De Angelis; F. C. Forsberg; W. S. Kohlhagen; K. W. Mitchim.

D. T. Morse; Ralph A. Smith; H. F. Bunze; G. Cechmanek; F. V. Genetti; R. Hundevadt; H. W. Robbins; M. L. Shumaker; Walter Weddle; R. F. Toliver.

Lykes Corp.: None.

Magnavox Co. (3): James H. Schofield, Jr.; R. Bruce Crane; George F. Smith.

Martin Marietta Corp. (40): Allen Abt; Harry Cruver; William Norton; B. J. Reilly; J. S. Reynaud; Gerald Brockman; R. H. Foltz; C. J. Odendhal; T. W. Ackert; L. R. Anderson.

H. V. Bastin, Jr.; H. F. Boone; F. X. Bradley; M. B. Chandler; D. A. Clark; R. H. Cooke; P. R. Cornwall; H. E. Davidson, Jr.; C. E. Dunlap, Jr.; D. W. Forbes, Jr.

W. R. George; F. N. Green; S. A. Hall; N. M. Hadenick; J. M. Henschke; B. B. Hovell; V. W. Harvard; C. D. Lang; M. G. Megica; W. W. Quinn.

J. B. Sanders; F. D. Selbie, Jr.; R. F. Sellars; J. G. Sheridan; D. M. Simpson; W. A. Stellenwerf; A. J. Walker; H. B. Wells; D. K. Yost; V. L. Zoller.

Mason & Hanger Silas Mason Co. (5): Joel G. Holmes; Lawrence H. Prather; Foster L. Furphy; George E. Davis; Jesse L. Pennell.

Massachusetts Institute of Technology (5): James Gormley; Robert F. Scofield; C. Warren Smalzel; Lewis Larson; Robert Millard.

McDonnell Douglas Corp. (141): John C. Kane, Jr.; David M. W. Lindquist; George B. Sloan; Clyde H. Parmelee; R. W. Fellows; M. Kauffman; Joseph W. Antonides; E. M. Beauchamp; William D. Cavness; Edward M. Day.

John G. Glover; Laverne F. Houston; Richard F. Kane; William C. Lemke; Haydon L. Leon; Arthur A. McCartan; Richard S. McConnell; Thomas W. Ownby; Arnold T. Phillips; Eugene W. Phillips.

Charles C. Sanders; Robert W. Shick; Siegfried H. Spillner; Robert C. Starkey; Vernon E. Teig; Frank T. Watrous; J. D. Blanchard; R. L. Cormier; R. E. Cutts; J. Desmond.

J. G. Hedrick; A. N. Jones; R. J. Lavery; R. A. Lowcock; W. T. Luce; T. B. Payne; R. V. Porter; R. E. Schleeh; J. A. Thomas; J. A. Sullivan.

J. F. Daniels, Jr.; A. S. Pitts; K. W. Longnecker; J. Morrissey; J. J. Davis; F. D. Turnbull; F. M. Goode; N. Garrett; R. L. Towne; L. L. Sailor.

K. K. Kelley; G. M. Clarke; H. W. Heber; K. A. Harcos; M. F. O'Donnell; W. W. Waters; K. Herman; R. D. Coffee; K. K. Lewis; L. C. Rochte.

R. L. Baseler; A. J. Walden; R. M. Tunnell; W. C. Adams; Ford E. Alcorn; Carl Arnold; L. R. Ash; P. H. Best; H. H. Bowe; R. H. Bowen.

W. D. Brady; R. S. Buchanan; R. H. Bull; W. C. Bumm, F. B. Carlson, M. B. Chatfield; R. A. Clendenin; E. L. Cole; M. R. Collins, Jr.; W. J. Collum, Jr.

H. D. Courtney; C. D. Dalton; S. P. Dillon; R. C. Dineen; J. G. Duncan; C. B. Evans; G. B. Felton; P. L. Fishburne; R. W. Fletter; C. H. Greene, Jr.

S. Greene; Jack Guy; L. R. Hall; K. T. Hanson; Robert J. Hanson; B. T. Hemphill; R. M. Herrington; J. B. Herweg; J. A. Hewitt; P. L. Hill.

David E. Honodle; A. L. Hopwood; K. H. Houghton; E. F. Hutchins; R. K. Jacobson; C. R. Johnson; William R. Jones; D. Klein; B. A. Miles; Wilton B. Moats.

R. L. Neyman; W. C. Nielsen; Paul A. Noel, Jr.; R. Nudenberg; J. A. O'Leary; C. W. Pangburn; Joseph A. Patalive; J. R. Penland; C. A. Peterson; J. Pietz.

Richard S. Quiggins; R. C. Randall; E. S. Rice; G. M. Rice; O. J. Ritland; J. M. Rouse; G. J. Schaffer; M. C. Smith; S. D. Stooksberry; R. D. Stowell.

R. B. Sullivan; A. J. Walden; P. S. Walker; L. Q. Westmoreland; R. V. Wheeler; S. Yarchin; William B Taylor; William C. Armstrong; Edward J. Gujer; L. Boyd Kendall; Phillip O. Robertson.

McLean Industries, Inc. (2): John E. Terrell, Leon A. Michaelis.

Mobil Oil Corp.: (Not available at time of preparation.)

Motorola Inc. (3): Bradford Smith, John Parham, Jr., Roy Klein.

National Presto Industries Inc.: None.

Newport News Ship Building & Dry Dock Co. (6) J. S. Bethea, P. K. Taylor, J. H. Lofland, Jr., L. D. Bellinger, L. G. Richards, D. E. Fairchild.

Norris Industries (2): Fred A. Wheeler, Melvyn H. McCoy.

North American Rockwell Corp. (104): W. A. Davis; R. E. Greer; C. W. Schott; E. B. Gallant; W. M. Garland; H. W. Powell; W. W. Wilcox; C. G. Allen; W. A. Anderson; J. E. Andres.

J. L. Armstrong; R. E. Barton; J. E. Bicknell; E. L. Bishop; R. W. W. Booth; W. B. Cannon; Armando Caseria; R. E. Cathcart; C. A. Culpepper; B. C. Dunn.

S. E. Ellis; M. E. Fields; C. D. Fisher; S. G. Fisher; W. S. Ford; J. H. Foster; J. M. Foxx; W. H. Frederick; C. R. Gregg; W. B. Henderson.

H. D. Hewett; W. K. Horrigan; C. Houck; B. W. Humphries; H. E. Johnson, Jr.; J. H. Kellerman; C. D. Kester; I. F. Larkey; D. R. Longino, Jr.; J. Maddalena, Jr.

H. C. May; J. B. Miller; R. S. Nye; V. R. Parker; W. V. Paul; J. G. Perry; P. D. Pohlon; L. G. Russell; D. C. Sloan; C. A. Smith.

G. T. Smith; J. J. Smith; O. W. Snodgrass; P. W. Toomey; H. E. Wardon; R. J. Watson; W. T. Wilborn; D. J. Yockey; E. B. Young; G. Crum.

G. A. Aubrey; W. P. Brooks; E. R. Gillespie; H. R. Greenlee; J. B. Jeffords; R. M. Kelly; J. H. Lattin; W. M. Smith; J. E. Stone; J. P. Condon.

W. V. Crockett; H. Hansen, Jr.; F. E. Hollar; J. S. Holmberg; E. W. Johnston; A. C. Lowell; W. D. Roberson; L. E. Roberts; J. L. Smith; E. H. Vaughn.

S. W. Carpenter; R. N. Clark; J. L. Melgaard; K. A. Aho; F. P. Anderson; R. S. Chandler; T. W. Collins, Jr.; L. E. Flint, Jr.; R. E. Harris; F. E. Hayler.

J. S. Hill; F. Larsen; H. N. Larson; W. L. Nyburg; J. F. Parker; F. D. Pfotenhauer; E. S. Quilter; C. E. Robertson; W. M. Shifflette; J. Steinberger; F. Turner; D. S. Walton; H. C. Weart; R. M. Wilson.

Northrop Corp. (48): J. T. Bradley; R. M. Elder; W. H. Gurnee, Jr., H. J. Jablonsky; M. C. Johansen; W. C. Mahoney; Y. A. Pitts, Jr.; L. Shapiro; J. R. Anderson; M. M. Coons.

M. M. Dupre; J. L. Fisher; R. W. Fox; C. R. Heffner; J. H. Jennette; D. M. Lynch; R. W. Parks; J. C. Schofield; R. C. Works; R. Carlson.

N. A. Severson; G. A. Barclay; V. A. Cherbak, Jr.; D. K. Dean; J. F. Enright; A. Herron; J. W. Koletty; J. Duganne; H. Haszard; A. Jackson.

K. Buchak; A. Burke; J. A. Buzzell; R. Canny; T. F. Collins; R. S. Drake; W. A. Haycock; W. M. Hodges; H. Hughes; E. Lavier.

N. Misenheimer; F. T. Pomeroy; R. Sansone; A. Sullivan; K. M. Welborn; F. T. West; R. M. Bell; G. A. Peters.

Olin Mathieson Chemical Corp. (3): Richard E. Johnson, E. A. Lovingood, Kenneth W. Brewer.

Pacific Architects & Engineers Inc. (16): William J. New, John Francis Wolf, Robert H. Calahan, William A. Cunningham, James S. Greene, Hugh B. Grundvig, Charles E. Houston, Frederic G. Miller, Richard L. Moody, George O. Pearson, Louis P. Pressler, Cecil P. Rice, Harry G. Roller, Tolson A. Smoak, John H. White, Edwin F. Woodhead.

Pan American World Airways Inc. (24): S. G. Ashdown; J. C. Grain; R. D. Dean; A. V. Dishman; V. J. Donohue; G. C. Fleming; R. Lamoreaux; W. L. Leverette; L. Lipscomb, Jr.; R. B. Madden; C. E. McClure; O. G. Quanrud.

F. P. Stainback, Jr.; R. L. Stell; R. S. Van Benschoten; H. P. Wagner; K. Withington; Robert Bell; Lawrence Kuter; C. A. Lindbergh; Maurice Fitzgerald; Robert Sandford; Dr. J. K. Cullen; Leland Johnson.

Radio Corp. of America (35): Z. R. Glocheski, E. W. Fuller, P. B. Foote, B. D. Hale, G. E. Pinkston, R. S. Maloney, J. E. Stevens, M. Williamson, G. Dawson, C. V. Johnson, J. Brandt, L. W. Van Antwerp, J. H. Brockway, S. L. Miller, H. Harnly, H. C. Henry, W. Heard.

L. W. Pflanz, T. P. Ross, F. K. Smith, G. P. Williams, T. N. Chavis, F. P. Henderson, W. H. Kreamer, B. F. McMahon, M. L. Ogden, P. T. Preuss, E. E. Roberts, P. N. Shamer, J. H. Wergen, J. Boning, A. C. Gay, R. E. Hogan, L. J. McNulty, R. K. Saxe.

Raymond Morrison Knudsen—Raymond International, Inc.; Morrison-Knudsen Co., Inc.; Brown & Root, Inc.; & J. A. Jones Construction Co. (Joint venture) (6): Jean E. Bush, Robert R. Helen, Kenneth Kermit Anderson, Luther E. Bell, L. B. Wilby, Andrew D. Chaffin, Jr.

Raytheon Co. (37): Rolland D. Appleton; Alfred R. Bauch; William V. Beach; John B. Bond; Ernest V. Cameron; Charles E. Collins, Jr.; Erling J. Foss; Albert P. Hilar; Archie T. Madsen; Francis G. McBride; Charles R. Moulder; Charles C. Roberts; Eldon W. Schmid; Eldon D. Sewell; John B. Maher; Benjamin E. Moore; Gill M. Richardson; Henry E. Bernstein.

Curtis W. Bunting; Arthur H. Damon; Royal K. Joslin; William R. Kurtz; Robert V. Lange; James T. Lay; Francis R. O'Brien; James G. Prout, Jr.; Leslie S. Robinson; Poyntell C. Staley; Donald N. Yates; Harry L. Evans; Alan R. K. Burton; David M. Crabtree; John D. Crisp; Henry M. Harlow; Bernard R. Muldoon; Joseph J. Pellegrini; Walter H. Williamson.

Ryan Aeronautical Co. (25): C. Bogner; T. A. Ahola; D. C. Emrich; W. W. Forehand; J. N. Highley; J. H. Owens; R. Pollack; L. M. Ryan; H. L. Wood; W. E. Clasen; A. D. Gomez; V. M. Bennett.

N. B. Davis, Jr.; W. R. Harman; R. S. Johnson; W. Mercer; O. F. Meyer; J. H. Tripp; G. T. Peterson; H. Cox; W. L. Drennen; W. H. King; J. T. Shephard; J. F. Thorlin; J. G. Cornett.

Sanders Associates Inc. (17): Barry Atkins; James Casler; William J. Caspari; Donald A. Detwiler; John Doll; Stephen H. Gimber; Rolland A. Helsel; Ralph Lamond; Douglas B. Lapierre; Brainard Macomber; Ralph J. Mattus; Jesse P. Moorefield; John G. Pallo; Raymond W. Raines; Charles Register; Ferrer Regni; Orville J. Schulte.

Seatrain Lines Inc. (4): F. T. Voorhies; C. P. Bellican; W. Savidge; C. R. Hamblett.

Signal Companies Inc. (The) (9): Mark E. Bradley, James R. Cumberpatch, William Barnes, Raymond Deitsch, Keith G. Lindell, Aubrey Lyons, James J. Treacy, Innes Robert Lee White, Ray J. Sherry.

Smith Investment Co. None.

Sperry Rand Corp. (36): L. Armstrong, A. Baker, D. H. Baker, J. J. Benshoff, R. J. Billado, R. L. Brown, D. Buntine, W. Campbell, V. H. Castle, M. A. Connor, H. Cowart, F. H. Cunnare, P. C. Droz, P. Folsom, H. S. Foote, T. L. Gaines, R. P. Gentry, J. A. Gloriod.

G. Gunderman, C. A. Heath, G. C. Higginbotham, F. R. Kaspereen, J. Keiper, R. R. Lynn, H. W. Maw, S. D. B. Merrill, R. Mugg, J. R. Payne, K. Pryor, J. A. Rice, J. M. Richardson, I. Robinson, O. L. Robinson, A. B. Roby, S. Schesinger, R. F. Sladek.

Standard Oil Co. of California (6): C. M. Clifford, J. E. Fratis, A. C. Bonnycastle, W. T. Kelly, R. E. Morandes, G. R. Deits.

Standard Oil of New Jersey (2): Eric Barr, J. H. Bowell.

States Marine Lines Inc. None.

Susquehanna Corp. (7): W. O. Blandford; W. M. Burgess; J. Carter; J. B. Cochran; D. L. Evans, III; H. W. Norton; N. Schramm, Jr.

Sverdrup & Parcel & Associates, Inc. (9): L. J. Sverdrup; E. J. Peltier; W. J. Ely; P. Z. Michener; Samuel T. Wallace; Lowell W. Shallenberg; Samuel F. Miller; Charles B. Alexander; George M. Gans.

T.R.W. Inc. (56): Richard C. Snyder; John Kooken; Richard Broberg; James Foster; E. J. Arakelian; J. J. Baranowski; Edward Blum; George W. Bollinger; E. L. Brady; M. C. Brennan.

C. T. Campbell; H. B. Chrissinger; Howard Cook; H. S. Croyts; T. B. Dabney; J. O. Davenport; H. H. Eichel; L. A. Franz; H. K. Gilbert; J. J. Gilchrist; G. A. Gilliland; C. W. Griffing.

Lacey C. Hall; H. B. Hansell; Bruce B. Hammond; J. F. Harris; Carson Hitler; R. L. Huber; L. J. Hutton; Cam Knox; W. A. Kruge; C. J. Lemmon; Stan R. Mason; R. M. McMahon.

C. Medinnis; J. O'Connor; R. E. O'Denning; D. Pilliod; Elmer G. Prohaska; E. C. Pruett; J. Ruebel; Oliver M. Scott; James S. Seay; S. L. Siler; R. P. Sims; S. H. Sherrill, Jr.

J. W. Smith; R. J. Speaks; Lester L. Stone; J. B. Summers; R. Trauger; J. A. Urban; L. E. Vandeveer; H. E. Walters; R. W. Yundt; John E. Zink; Andrew J. Kelley.

Teledyne Inc. (8): Dr. Kenneth C. DeGon; Dr. George Stead; Herman J. Mecklenburg; Elby D. Martin; John Hyerle; Robert Williams; Joseph Neely; Roy Nelson.

Texaco Inc. (4): Violas Bishop, Henry F. Bell, Albert Benjamin, J. A. Obermeyer.

Texas Instrument Inc. (73): Harlan Freeman, Ovitt Wells, Francis Thompson, Fred Ramsey, Charles R. Bond, Bob Kirsten, Robert J. Baxter.

Textron Inc. (28): J. A. C. Andrews; J. Clapper; J. F. Gill; J. V. Hearn; B. J. L. Hirshorn; R. M. Hurst; D. McKee; H. C. Newcomer; D. R. Ostrander; J. Otts; J. M. Schweizer, Jr.; W. B. Stevens; D. Wilson; H. R. Archibald.

S. J. Clark; C. Coates; E. McGrane; C. A. Mette; A. Niemi; H. R. Smith; W. Tetley; W. M. Boyd; H. H. Howze; J .W. Oswalt; R. W. Van Orne; W. J. Yates; R. L. Ramsey; Roy Southworth.

Thiokol Chemical Corp. (3): Harry M. Murray, Willard L. Nielsen, Paul C. Trammell.

Uniroyal Inc. (6): W. M. Coy, George P. Nichols, Edward A. Nunn, S. A. Meyer, Karl F. Moessner, A. C. Hamilton.

United Aircraft Corp. (48): R. L. Duncan; H. W. Everett; J. P. Keegan; G. A. Palmer; T. A. Sims, Jr.; Strouther B. Hardwick; Albert R. Weldon; Joseph M. Silk; Marc M. Ducote; John F. Quinn; Donald N. Alexander; L. V. Marchbanks, Jr.

Paul Steinle; Milton Waltcher; Harold J. Larson; George A. Linko; Eugene Tatom; Richard L. Long; Herbert S. Brown; Robert R. Corey; E. C. Dyer; Alexander Rankin; Allen C. Miller; James G. J. Kellis.

William E. Kenna; Murlin W. Alley; Clarence R. Easter; Robert D. Dearth; Robert D. Bowers; George P. Gould; Herbert G. Hoover; Norair M. Lulejian; Arthur Pfeiffer; Frederick B. Tucker; W. C. Erlenbusch; E. T. B. Sullivan.

W. J. Corcoran; C. R. Doerflinger; J. H. Mallett; Robert Morris; E. A. Swanke; John Amann; George Kronmiller; E. S. Ligon; D. L. Putt; E. N. Hall; H. A. Arnold; R. B. Laning.

United States Steel Corp.: Not available at time of preparation.

Vinnell Corp.: None.

Vitro Corp. of America (25): Paul C. Murphy; L. E. Andre; H. H. Miller, Jr.; W. F. Keating; W. E. Antle, Jr.; N. B. Atkins; H. G. Doyle; S. E. Ellison; L. S. Eubanks; J. B. Gay, Jr.; R. J. Ramsbotham; G. A. Reaves, III.

R. J. Rudolph; P. S. Savidge; J. B. Wallace; J. K. Fyfe; N. S. Chase; D. J. Freund; S. Gassett; C. J. Harrison; J. B. Jacob; S. J. Mancuso; C. A. Merkle; E. J. Quashnoch; H. W. Swan.

Western Union Telegraph Co. (5): J. W. Davis, H. Dorfman, R. F. Flynn, J. A. Moore, R. M. Perry.

Westinghouse Electric Corp. (59): T. S. Bond; C. F. Burch; F. W. Campbell; W. D. Coyne; A. Creal; P. W. Crutchfield; R. K. Cunningham; P. C. Davis; R. W. Dickerson; J. L. Dickey.

D. K. Ela; S. W. Fitzgerald; W. J. Foley, Jr.; J. A. Garath; T. E. Harper; J. W. Henry; M. E. Hinden; J. E. Hoker; H. J. Islev-Peterson; C. D. Jeffcoat.

M. Kadick; E. S. Keats; T. K. Kimmel; C. B. Lindstrand; R. B. Linnenkin; J. E. Mahon; J. E. Miller; R. T. Miller; J. E. Mills; C. H. Morrison, Jr.

J. Munholland; E. D. Northrop; P. L. M. Packard; H. J. Pence; H. E. Skinner; W. M. Smith; R. W. Soderberg; J. K. Sun; J. T. Traylor; W. E. Underwood.

K. O. Vandayburg; G. W. Albin; W. M. Braley; V. P. Carlson; W. J. Germershausen; J. E. Hammerstone; C. J. Heath; J. W. Losch; C. Wiedman; W. L. Kabler.

W. A. Dolan, Jr.; R. S. Froude; J. D. Frye; J. C. McCawley; A. M. Prentiss; Roy G. Moore; William T. Shealy; A. Wermuth; J. A. Woodbury.

White Motor Co.: Not available at time of preparation.

World Airways Inc. (4): Harry G. Adam; Herbert E. Greuter; Jack Reiter; Robert I. Johnson.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

WALT COBURN, OF MONTANA, AUTHORITY ON THE OLD WEST

Mr. MANSFIELD. Mr. President, I should like to invite attention to the latest accomplishment of one of Montana's well-known sons, Walt Coburn, nationally known Western storywriter and authority on the old West.

Walt Coburn's latest book, "Pioneer Cattleman in Montana," the story of the Circle-C Ranch, is the story of this famous writer's pioneer family and their early struggles in Montana. Walt Coburn, who will celebrate his 80th birthday later this year, is an authentic Montana cowpuncher turned author. For more than a quarter of a century, he wrote a story a week for Western Story magazine, and he has numerous authentic western books to his credit.

The Circle-C Ranch was one of the pioneer cattle ranches in the State of Montana, and the Coburn family was composed of pioneers who had the foresight and courage to make Montana the

great State that it is today. Montanans are grateful to Walt Coburn, the son of a famous Montana man, for telling his story and putting this early Montana history on paper for posterity.

REPORT OF CONSUMER FRAUD UNIT, NEW YORK CITY AREA

Mr. MAGNUSON. Mr. President, the U.S. attorney's office in the Southern District of New York has recently created a small consumer fraud unit which has been extremely active in combating some of the more flagrant consumer deception schemes in the New York City area. Despite rather limited statutory support, this small unit, through vigorous criminal prosecution, has not only dealt severely with a small number of fraudulent operators, but it has undoubtedly helped considerably in deterring others from launching similar deceptive schemes.

Recently I have received a copy of a report of this consumer fraud unit. The report, which consists of items on public record, has already been furnished to some community agencies concerned with consumer fraud. Since it is of general interest, however, as a source of factual information relevant to consumer protection, I ask unanimous consent that the full text of the report be printed in the RECORD.

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

REPORT ON WORK OF CONSUMER FRAUD UNIT

(By Richard A. Givens, chief, consumer fraud unit)

During the work of the consumer fraud unit to date, convictions have been obtained in each of the trials conducted for fraud against consumers during this period, totaling five trials involving seven defendants. A significant number of important investigations are currently in progress. Investigations in other cases have also led to voluntary charges in methods of operation.

I. BASES OF FEDERAL LAW ENFORCEMENT IN CONSUMER FRAUD CASES

The primary federal statute, apart from administrative remedies, applicable to fraud against consumers is the mail fraud statute, Title 18, United States Code, Section 1341, which provides:

"Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises . . . for the purpose of executing such scheme or artifice or attempting so to do . . . knowingly causes to be delivered by mail according to the direction thereon . . . any matter or thing . . ." shall be guilty of a crime.

Other applicable statutes include the prohibition of fraud by wire, radio or television (18 U.S.C. § 1343), the prohibition of false use of the initials "U.S." and similar names by collection agencies (18 U.S.C. § 712), the prohibition of mailing of threatening communications (18 U.S.C. § 876), the Truth in Lending Act, federal laws dealing with standards for food, drugs, and biological products and other items, the criminal provisions of the Federal Trade Commission Act, and other laws.

Under the mail fraud statute, any scheme to defraud or to obtain money by false representations is covered if the mails are used. The false pretenses themselves need not be contained in anything sent by mail. It is enough if the mails are used in any respect for the purpose of executing the scheme or attempting to do so. For example such use in collecting money from victims of fraud has been held covered. These basic legal principles have been repeatedly upheld in past cases and have been applied in the trials covered in this Report.

The Post Office Department, under the leadership of the Postal Inspector in Charge in the New York metropolitan area, Mr. Robert J. Hickey, together with a large number of his Inspectors, deserve a major portion of credit for the results achieved.

II. TYPES OF PRACTICES COVERED IN CONVICTIONS OBTAINED

Several types of fraudulent practices have been dealt with in the convictions obtained this year in the consumer fraud effort.

A. Fraud in health services

In a trial lasting one month, evidence was introduced concerning an establishment at 126 West 42nd Street handling some 20,000 new patients annually and processing approximately 160 persons per day. Evidence indicated that telephone solicitations to the public were made on more than 30 telephones, offering free help and stating that "the Chiropractic Information Service" was calling as a "public service."

Witnesses testified that after arriving at 126 West 42nd Street they were told that they needed treatments, in one case, or the witness would die shortly, and in another case, would end up in a wheelchair shortly. Thereafter, they were given contracts to sign which required them to pay for future treatments whether they took these treatments or not. Employees of the establishment testified that if a patient requested to talk to his or her spouse before signing, the matter was taken up with higher authorities in the office. Evidence indicated that treatments sometimes lasting two or three minutes were given, for which the standard charge of $6 was made.

Exhibits which testimony indicated were given to lay solicitors stated:

"This is Dr. —— of the Chiropractic Center * * *. We have visiting us a professor from Germany, who specializes in your condition. He has a new treatment that has helped thousands of 'hopeless' sufferers. He has discussed your case with us and advised us how to give you immediate relief . . . There is no other treatment for your case."

Printed solicitation material said that the establishment offered "free help" and used "proven methods" which had "immediately and promptly relieved thousands."

". . . You have actually hesitated long enough and further delay could be very dangerous . . ."

"Free help by licensed doctor of chiropractic . . ."

"Arthritis may cripple you!"

"Concentrate on this coupon and spell arthritis slowly . . . Now you are hypnotized."

If patients did not pay they received printed notices containing such statements as:

". . . You will have to appear in court and lose time and money from your job. In Court, the judge will declare you guilty. Do you want such a court record of guilty, to damage your reputation? You have only 5 days to still plead not guilty and protect your good name and reputation by paying your past due account . . ."

". . . We are notifying . . . the stores from which you buy on credit, your family, your friends, your neighbors, your lawyer, your bank, your job, your employer, your church, etc."

"Please write . . . why do you gamble losing your life and health by not continuing to let me help you . . . God wants me to help you. Why not let me help you? God has chosen me, in his mysterious way to help you get well."

Mailings were also made to employers of patients headed "Notice to Employer for Garnishment Proceedings."

During this trial, a witness located by Postal Inspectors in Puerto Rico testified that he had been paid $1,000.00 by a defendant to leave the continental United States and to pay off another witness.

A former patient also testified that she saw a Spanish-speaking woman screaming for her husband while an employee of defendant's sought to remove her from an elevator (which was being held by another employee pressing the elevator button). Former employees also testified that X-rays of persons other than the patients were shown to patients as their X-rays.

In this case and the other cases covered in this Section with one exception, the Government filed an affidavit with the Court placing on public record the principal facts developed in its investigation. A copy of the affidavit was served on defense counsel prior to sentence. This apprised defense counsel of its contents, which would not have been available to the defense had it merely been contained in a confidential presentence report.

The Government also called the Court's attention to a unanimous report of the Committee on Criminal Law of the Federal Bar Association of New York, New Jersey and Connecticut which stated that the principal factors relevant in sentencing included:

"(1) The extent to which the defendant abused a position of responsibility entrusted to him by society; (2) the extent to which he sets an example for others because of his position, and (3) the large-scale influence which his conduct may have on others because of a pivotal relationship which he has voluntarily assumed in society and as a result of which his actions could have wide ramifications." *Criminal Law Bulletin*, Vol. 3, p. 682, 684 (Dec. 1967).

The Honorable Harold R. Tyler, Jr., sentenced the principal defendant in this case to a term of four years, and two co-defendants to lesser terms (*United States* v. *Zovluck, et al.*). A co-defendant was also convicted in a separate trial of assaulting federal marshals executing a search warrant and an arrest warrant at the premises.

Instrumentalities of the offense charged were seized under federal search warrants when the indictment was filed. The warrants were upheld by the Court in *United States* v. *Zovluck*, 273 F. Supp. 385 (S.D.N.Y.). In its opinion the Court pointed out that defendants appeared to continue the activity charged in the indictment even after the indictment was filed. Convictions were obtained under a separate indictment covering such subsequent acts.

The case parallels in importance another prosecution brought in the field of health fraud in which a conviction for false labeling of human blood plasma and conspiracy to manufacture it without a license was upheld in 1964, and a conviction also obtained for changing dates on labels of blood bottles. *United States* v. *Steinschreiber*, 219 F. Supp. 373 (S.D.N.Y.) *affirmed* 326 F.2d 725 (2d Cir. 1964), *cert. denied*, 376 U.S. 962 (1964); see also *United States* v. *Calise*, 217 F. Supp. 705 (1962).

B. "Chain referral" swindles

In two cases convictions were obtained for "chain referral" swindles in which purchasers of merchandise who paid from several hundred dollars up to $1,200, were told that they could obtain the items at no cost by furnishing names of other potential customers. Evidence indicated that customers were falsely promised that they could receive the merchandise at no cost because commissions they would receive on sales to persons they recommended would easily more than cover the price charged.

It is mathematically impossible for such promises to be true for the average customer.[1] To get enough commissions to pay for the full cost of his purchase the customer must make on the average several successful referrals to other customers, each of whom receives the same promises and in turn must make several successful referrals for the promises made to them to come true. Thus, a rapidly expanding number of customers must buy in order for the scheme to work as represented. In such a geometric progression, astronomical numbers are very quickly reached, and for this reason a witness in one of the cases described such a referral program as a "bubble."

In both cases, sales were completed by salesmen calling on prospects at home where they remained in some cases for long periods of time to obtain the required signatures.[2]

In *United States* v. *Rubin Sterngass*, the evidence indicated that eight different corporations were used in a chain referral program involving central vacuum systems, color television sets and broilers which were represented as helpful in preventing cancer, and that for the scheme to work as promised, one billion customers would have had to be involved by the ninth step. Exhibits given to customers asked "How would you like to earn some extra money. . . ?" A sentence of 18 months was imposed by the Honorable Inzer B. Wyatt. The conviction in this case was unanimously affirmed from the bench by the United States Court of Appeals for the Second Circuit on December 18, 1968 (Dkt. No. 32704).

Another chain referral case, *United States* v. *William J. Armantrout* involved sales of nylon carpeting at $27.50 a square yard to some 500 customers in New York, New Jersey and Connecticut who paid amounts averaging $1,000 to $1,200 each for the rugs after receiving booklets stating:

"A Public Service Bulletin—Your Magic Carpet Plan.

"This brochure has been designed to help you attain your goal of earning the entire cost of your luxurious carpeting. By working closely with our public relations director you can and will achieve this goal quickly . . . The public relations man . . . is the proven, time tested key to your success . . . hundreds of very satisfied customers before you have had great success by using our proven method . . ."

"Why you will be successful: Because you are on the plan. You know it must be good . . .

When the firm went out of business customers were left with notes owing to a bank. The firm also left a bill of some $18,000 owing to the company which had supplied the carpets.

The owner of the firm was found guilty of mail fraud,[3] and a sentence of one year was imposed by the Honorable Walter R. Mansfield.

C. Charity fraud

Another case involved fraud by solicitation of charitable contributions purportedly for philanthropic use. The indictment charged that these representations were false. During the trial testimony was received that the defendant had called an Internal Revenue Service tax exemption obtained by a foundation of which he was executive director a "license to steal." An official of a bona fide charity testified that half a million dollars of pharmaceuticals donated to the organization involved could not be traced. The defendant was sentenced by one year and one day imprisonment after being found guilty.[4]

D. Auto insurance fraud

In *United States* v. *Lopez*, tried for the Government by Assistant United States Attorney John H. Doyle III, a conviction was obtained for fraud involving the obtaining of $50 deposits from Spanish-speaking automobile insurance applicants and then substituting bad checks sent to the insurance companies, while falsely using the name of another insurance broker to conceal the fact that the defendant had no valid license.

E. Fraudulent collection methods

Several cases have involved fraudulent collection methods.

In the health fraud case discussed previously, the indictment charged defendants with sending misleading forms to patients, stating among other things, that a judge would find the patient "guilty" if he did not pay. Separate convictions of each of the three defendants in that case were also obtained for false use of the initials "U.S." Evidence introduced at the trial indicated that collection forms sent bore the legend "U.S. Credit Rating & Reporting Agency," which was merely a name used by defendants and not in fact a Government agency. This was held to violate Title 18, United States Code. Section 712, which prohibits misleading use of names purporting to refer to a federal agency. The defendants were each sentenced to imprisonment for one year on this charge.

Other fraudulent collection methods, discussed in greater detail below, involved fraudulent use of financing procedures to mislead customers.

F. Fraudulent use of financing procedures

In *United States* v. *Sterngass*, the evidence indicated that many contracts obtained from customers under a chain referral scheme were sold to a finance company owned principally by the defendant's wife, and then resold to other financing agencies, in some cases with arrangements that (a) an attorney for defendant would sue customers in the name of the financing agency, and (b) if the customer did not pay, defendant's companies or his wife's finance company would lose certain reserve funds. Despite this, there was proof that letters were sent to customers stating:

"This contract . . . is in the hands of the finance company which paid value to us for this contract. Your obligation is to that finance company, to meet your monthly terms as you have contracted to do . . .

"In the event that you breach your contract with the finance company they will sue you and ultimately get a judgment . . .

"You also have an opportunity by which you can earn commissions for sales that result from recommendations of yours . . . It is this opportunity part of our contract that really makes your purchase a successful one for you."

A separate indictment is also pending against a finance company and its officers for mail fraud. The indictment charges among other things false pretenses that the finance company was acting independently from the seller of the merchandise involved, whereas in fact the finance company had a secret interest in the sales.

G. Office supply sales

In *United States* v. *Regent Office Supply Co.*—F. Supp.—(68 cr. 798, 2/28/69, S.D.N.Y.), Judge E. J. Dimock found two corporations guilty of mail fraud where salesmen posing as doctors or lawyers falsely told purchasing agents office supplies were on distress sale due to the death of a friend, and the mails were used to bill the purchasers. The fact that the buyers did not lose money was held irrelevant since false representations were used in the telephone solicitation.

III. VOLUNTARY TAKEN ACTION AS A RESULT OF FEDERAL INVESTIGATIONS

In other instances, the mere fact of the institution of federal investigations resulted in voluntary action changing practices under inquiry, without any commitments as to prosecution being given.[5]

A. Health insurance solicitation

Complaints were received concerning large scale mailings into New York by an out-of-state insurance company purporting to have selected the recipient as a member of a particular "good risk" group, when this was in fact without foundation. The mailings similarly failed to point up clearly certain significant exclusions from coverage under the policies. After federal investigation was instituted, the company voluntarily modified its mailings to eliminate these objectionable features.

B. "Bait and switch"

The advertising of meat at extremely low prices, representing a fraction of those normally charged, without disclosure that the meat in fact was of a quality which was acceptable to very few, was the subject of investigation. Customers arriving at the premises of the seller and filling out a credit application would then be "switched" to more expensive products. After the institution of mail fraud investigation, these methods were voluntarily abandoned.

C. Misleading collection practices

In addition to the prosecutions described above involving misleading collection practices, voluntary steps have been taken in several cases involving abandonment of the following practices in this District.

The practice of contacting employers directly to threaten garnishment where no legal action has actually been taken.

Use of threats of a "Stop Credit Order" which supposedly would block credit to the customer within a 50 mile radius.

Use of an official-looking form postmarked Washington, D.C. purporting to direct the customer to appear at a distant point to explain failure to pay alleged indebtedness.

Use of several names of collection agencies containing the words "United States" or the initials "U.S." without equally bold disclaimers making it clear that no Government agency was involved.

Notices stating that attorneys' fees would be added to bills unless payment was made within a fixed time even if suit was not instituted.

D. Bringing of collection suits in distant locations

Investigations reveal that consumers frequently suffer default judgments even where they may have valid defenses of fraud. This occurs chiefly for three reasons: (a) lack of ability to retain counsel, (b) failure to be notified of the suit, discussed below, and (c) the fact that suits are often brought in distant locations.

Investigations of a repeated practice of bringing suit in a county where a finance company is located even though the sale was made elsewhere and the buyer lives elsewhere, led to voluntary discontinuance of this practice. The investigation was based on

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[1] See *Nickles* v. *United States*, 381 F.2d 258 (10th Cir. 1967); *United States* v. *Blachly*, 380 F.2d 665 (5th Cir. 1967); *Fabian* v. *United States*, 358 F.2d 187 (8th Cir. 1966); Smith, "Saga of The Little Green Pig," The Reporter, 11/3/66, p. 39.

[2] See S. Rep. No. 1417, 90th Cong., 2d Sess. (1968); Report of Committee on Federal Legislation of New York County Lawyers Ass'n, New York Law Journal, 8/19/68, p. 1, cols. 1–2.

[3] A pretrial decision is reported in *United States* v. *Armantrout*, 278 F. Supp. 517 (S.D. N.Y. 1968).

[4] A pretrial decision is reported in *United States* v. *Roth*, 285 F. Supp. 364 (S.D.N.Y. 1968).

[5] Names or equivalent identifying details are not mentioned in this or in the following Part IV in order to avoid prejudice to trials or to persons not indicted.

the possibility that such a practice, depriving customers of their constitutional rights to a day in Court by causing state action, violated the Civil Rights Act prohibiting conspiracies to violate constitutional rights.

This matter is also discussed by the Committee on Legal Assistance of the Association of the Bar of the City of New York in a unanimous report recommending changes in venue laws to restrict collection actions to the county where the purchaser lives, lived at the time of the purchase, or made the purchase. "Does a Vendee under an Installment Sales Contract Receive Adequate Notice of a Suit Instituted by the Vendor?" 23 Record of N.Y.C.B.A. 263 (April 1968).

E. Miscellaneous

A large number of individual complaints were satisfactorily resolved once inquiry was made.

IV. LARGE-SCALE ABUSES

Since numerous investigations are in progress, only a few which have disclosed widespread abuses can be mentioned here.

A. "Sewer service" of process

"Sewer" or "gutter" service of process is a term used to refer to the practice of bringing suit without ever giving notice of the suit until after a default judgment is obtained. This evil is discussed by the Committee on Legal Assistance of the Association of the Bar of the City of New York in "Does a Vendee Under an Installment Contract Receive Adequate Notice of a Suit Instituted by the Vendor?" 23 *Record of N.Y.C.B.A.* 263 (April 1968), and by that Committee together with the Committee on Grievances in "Improper Collection Practices." 23 *Record of N.Y.C.B.A.* 441 (June 1968). Intensive investigations of this matter are being pressed under Assistant United States Attorney Frank M. Tuerkheimer.

One difficulty in dealing with these abuses is the lack of adequate record-keeping by agencies which serve papers on people who are being sued. Such process serving firms generally receive a flat fee from the attorney for serving papers on each person being sued. The agency in turn usually pays a flat fee to the individual process server for each paper he is willing to sign an affidavit that he served.

There are no statutory qualifications or licensing procedures for process servers, other than that they be of proper age and not parties to the action.

Most process serving agencies keep no records of the names or addresses of persons served and by whom service was made. The only record kept is the affidavit of service itself which is executed by the process server in return for his fee. This is turned over to the attorney bringing suit and thereafter filed in Court, where it usually becomes the basis for a default judgment. See Caplovitz, *The Poor Pay More: Consumer Practices of Low Income Families*, Ch. 12 p. 70 et seq. (1963). Only after the judgment is entered does the person sued often first learn of the suit against him—in many cases, he first learns of the suit when he gets a notice of judgment through the mail or when his employer receives through the mail a notice of garnishment requiring him to deduct amounts from the employee's pay.[6] If process serving agencies were required to keep more detailed records, this would help to defer false statements by process servers as well as to facilitate investigations of fraud in service of process.

Indictments against several process servers are pending. These cases were presented to the Grand Jury by Assistant United States Attorney Frank M. Tuerkheimer. The indictments charge violation of the Civil Rights Act. The basis of use of the Civil Rights statute is simple—default judgments obtained by false affidavits of service of process constitute state action depriving the victims of property without due process of law in violation of the Fourteenth Amendment because of the fraud committed by the process servers. The applicability of the statute was upheld by the Honorable Edward Weinfeld in *United States* v. *Barr on* January 30, 1969. — F. Supp. — (68 cr. 888, S.D.N.Y. 1969).

B. Used car repossessions

Investigations have disclosed a pattern of sales of certain used cars at many times their original cost, followed by a cycle of repossession, repurchase of the car at a low price at auction and further resale at many times that price to new customers, who in turn are frequently sued by finance agencies and often claim to have received no notice of the suit. The inquiry indicated that in certain cases some used car dealers know in advance that there will be a complaint regarding each and every automobile sold and that many customers will give up the car and default because they feel it cannot be made to work. Investigation of possible federal violations is continuing.

C. Credit sales of future services

Complaints have been received from members of the public who signed contracts for services (e.g. self-protection training, dance lessons, etc.) which turned out to appear to obligate them to pay in the future for a long series of appointments whether or not they canceled the remainder of the series. This was also a feature of the health fraud case discussed previously. In one case a lady signed up for a lengthy series of self-defense lessons and her doctor advised her to quit because she might be injured. She paid a large sum to be released from her contract to pay for lessons she did not take.

Where services are involved the customer cannot generally "inspect" what he is buying before signing the contract. Further, if the consumer seeks to cancel, our inquiry indicates that payment in full is often demanded even though the consumer does not receive the benefit of the balance of the services.

The law concerning damages for breach of contract generally permits a seller to obtain only actual damages (such as in the case of a sale of goods, the difference between their value at the date of the contract and on the day of breach). This would not permit a seller of future services to recover from the customer the full contract price of a long series of future services.

However, the mere threat of suit induces many consumers to pay because they do not know their rights and cannot afford an attorney to defend such an action.

D. Magazine sales methods

Numerous complaints have been received that magazine salesmen have made varied misrepresentations to members of the public including (a) that the amount to be charged is less than the written contract actually provides for, (b) that the customer is merely signing a receipt, when it is in fact a contract, and (c) that magazines will be furnished at only the cost of postage, etc. The most appropriate way to deal with this problem in the absence of proof of a concerted scheme on the part of the firms employing the salesmen involved remains open.

E. Food freezer plans

Complaints have also been received that customers have been told that if they buy a food freezer it will cost them nothing out of pocket because they will save enough on the food covered by the plan to pay for the full cost of the freezer, whereas in fact there are no such savings and the food may be insufficient and of poor quality. Investigations in this field are continuing.

V. CONCLUSIONS

A. The role of law enforcement

Consumer fraud is an important ingredient in the crisis of our cities.

It provides particularly inflammable tinder for urban conflagrations because consumer fraud is not merely passive but actively reaches out to take away some of the small amount of money the victim may have.

The bulk of consumer fraud affects the poor. However, consumer fraud affects all in every geographic area. In the health service case described previously the chief victims were residents of the core city, including many Spanish-speaking citizens. In the carpet referral scheme most victims were suburban homeowners.

The good reputation to which honest business is entitled suffers whenever fraudulent conduct is practiced. Further, fraudulent operators also secure an unfair competitive advantage over the legitimate businessman who refuses to indulge in these methods.

In many instances fraud has been effected under the forms of law. Numerous citizens are subjected to default judgments and garnishments without previously being notified that they are being sued. Others who may have legitimate defenses to payment because of fraud fail to obtain a day in Court because they cannot afford a lawyer to fight a lawsuit. Collection suits are also brought in distant locations making it impossible for the consumer to present a defense if he has one.

Effective law enforcement in this field is an important means of protecting the rights of all and avoiding conditions productive of violence. It is necessary for the protection of every group in our society.

The principal weapon of federal law enforcement against consumer fraud is the mail fraud statute, Title 18, United States Code, Section 1341. Title 18, United States Code, Section 876, concerning threatening communications sent through the mails is also important in the field of fraudulent collection practices. It provides in part:

"Whoever with intent to extort from any person any money or other thing of value, knowingly . . . deposits or causes to be deposited [in the mail] any communication . . . containing any threat to injure the property or reputation of the addressee or of another . . . " is guilty of a crime.

Threats to injure the credit or the reputation of the addressee or to cause harm in his relations with his employer fall within the category of threats to injury to reputation. It has been held irrelevant under the statute whether the threats are to make truthful or untruthful statements about the recipient. *United States* v. *Pignatelli*, 125 F. 2d 643 (2d Cir. 1942), *cert. denied*, 316 U.S. 680. Similarly, it has been held immaterial under the Section whether a person subjected to improper threats actually owed the money sought to be obtained from him. *United States* v. *Guy Eiselstein*, Crim. No. 10215, N.D. Ohio (West Div.) (Frank Kloeb, D. J., 6/21/55). The thrust of these decisions is that the courts—where both sides, including any proper defense, can be heard—and not threats to reputation are the proper recourse where requests for payment go unheeded.

An unresolved problem concerns prevention of continued criminal conduct after indictment and before trial. See *United States* v. *Zovluck*, 274 F. Supp. 385 (S.D.N.Y.). There is presently no authority for injunctive or other interim relief in such cases (nor indeed for injunctive relief even after a finding of guilty as part of a judgment of conviction).

Another unresolved problem is the impact of 15 U.S.C. § 49 which confers complete and automatic immunity from prosecution on a witness subpoenaed before the Federal Trade Commission even if he does not in-

[6] The employer may then press the employee to pay in full to be rid of the garnishment.

voke the privilege against self-incrimination or refuse to answer.

B. Role of community agencies and the public

There is need for coordination of effort by community agencies in the field of consumer protection. With such coordination, information concerning fraudulent practices could be more effectively brought to bear and referred to the proper agencies, civic, local, state or federal.

An alert public is of course the key to all efforts to prevent consumer fraud. It is only where the public brings facts to the attention of law enforcement authorities, directly or through community agencies, that the facts can be brought to the attention of the courts for appropriate action.

The combined efforts of citizens working together for common aims in this as other fields can lead to better communities for the benefit of all.

EXPORT CREDIT SEMINAR TO BE HELD IN BOSTON

Mr. KENNEDY. Mr. President, next Monday, March 31, the Export-Import Bank of the United States will sponsor a 1-day seminar on export credit. The seminar will be held at the International House in Boston.

The purpose of the meeting is to explain to exporters and bankers the recent changes that have been made in the Bank's programs. These changes are designed to enable exporters to sell abroad on deferred credit terms without undue risk. Mr. Gilbert H. Lochrie, the Business Liaison Officer of the Export-Import Bank, will be the chairman of the meeting. Other participants will include Mr. Richard Crofton, of the Federal export Credit Agency's Guarantee and Insurance Division, and Mr. Donald Hood, Production and Services Manager of the Foreign Credit Insurance Association.

Exporters and bankers, as well as businessmen considering entering the export field, have been invited to attend the seminar. I understand that the public response to the seminar has been good, and that the meetings will be attended by a number of the most prominent exporters, manufacturers, commercial banks, and shipping firms in the State.

As background for the seminar, the Export-Import Bank has prepared a brief statement of its history and operations, I ask unanimous consent that it be printed in the RECORD.

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

THE EXPORT-IMPORT BANK OF THE UNITED STATES, ITS HISTORY AND OPERATIONS IN BRIEF

The Export-Import Bank of the United States, widely known as Eximbank, was first established by Executive Order in February 1934. At that time, the United States had only recently extended diplomatic recognition to the Soviet Union. It was hoped that credit from Eximbank would help develop trade between the two countries. In addition, the United States was embarking on the Reciprocal Trade Agreements program, which could have required financing to make it a success. Finally, there was the desire to "prime the pump" with exports as a means of alleviating the impact of the Depression.

Shortly thereafter, a second Export-Import Bank was established, also by Executive Order. Its purpose was to finance trade between the United States and Cuba. The first Bank never entered into a credit agreement with the Soviet Union, largely because of continuing delays in settling debts between the two countries and their nationals. The second Bank initially financed Cuban purchases of silver which were minted into Cuban coins at Philadelphia. Later the two banks were merged.

Throughout its 35-year history, Eximbank has consistently been engaged in financing the foreign trade of the United States. However, as the domestic and world situations have changed, Eximbank has changed its methods in order to provide the maximum benefit to the United States.

In the late 1930's, the course of international trade followed closely the course of international politics. As Europe prepared for war, many countries could no longer import from their traditional sources. It was at this time that overseas buyers began to request assistance of Eximbank. Up until then, Eximbank had dealt with U.S. exporters almost exclusively.

During World War II, Eximbank financed a number of key activities. Perhaps the one for which Eximbank is best remembered is the steel industry of Brazil. Possibly more dramatic, however, was a $25 million loan to Universal Trading Corporation, acting as agent for the Government of China, which was used to finance construction of the Burma Road.

The next major challenge to Eximbank came in 1945, when Lend-Lease Operations were coming to a close. At that time, Eximbank's legislative authority was renewed, and the Export-Import Bank Act of 1945 was signed on the same day as the Bretton Woods Agreement Act symbolizing America's determination to participate fully in international trade and finance in concert with other countries.

In the immediate post-war period, Eximbank extended some $5 billion of loans to Europe and China, covering purchases in the U.S. of equipment needed to reestablish economic activity. With the establishment of the Marshall Plan in 1948, Eximbank's responsibility for reconstruction was reduced. The Banks resources, like those of the Government as a whole, were called upon to a greater extent to help finance projects in the developing world.

In the late 1950's, when the viability of the economies of other developed countries had become established, Eximbank, and indeed the U.S., was confronted with the still-present problem of a persistent deficit in the U.S. balance of payments. Increased exports were and are one way of coping with this problem.

Eximbank today recognizes more than ever that credit availability is as important a competitive tool as price, quality, or service. If American exporters are provided with facilities at least as good as those made available to exporters in other countries by their governments, U.S. exporters are free to compete in world markets solely on the basis of their products, their prices, their salesmanship, and their service.

As a result, Eximbank is determined that no U.S. exporter is going to lose a sale for want of credit, if the sale is sound. There are four Eximbank programs which assist the exporter: direct credits to foreign borrowers, export credit guarantees, export credit insurance, and discount loans. Eximbank continues to make direct loans to overseas buyers of U.S. goods and services. And Eximbank sometimes keeps trade channels open by making special foreign trade loans to foreign governments suffering temporary dollar shortages. The facilities of the Foreign Credit Insurance Association, a group of commercial insurance companies formed at Eximbank's instigation to provide credit protection for exporters, are used by firms of all sizes but are particularly helpful to small firms with limited experience. Policies issued by FCIA cover sales or can be used as collateral for bank loans. Under a program similar to that of FCIA, Eximbank guarantees repayment to commercial banks which finance medium term transactions for exporters. It also issues guarantees to exporters covering service contracts, leases, and other special situations. To assist commercial banks in increasing their financing of exports, Eximbank operates a "discount" facility. Under this program, commercial banks may borrow from Eximbank in amounts and on terms related to the portfolio of eligible export obligations held by the commercial bank.

Since its inception, Eximbank has authorized a total of some $22 billion of credits, guarantees, and insurance, all to assist U.S. exports. In 1968, some $3.5 billion was authorized by Eximbank in several thousand separate transactions. This total included $2.5 billion of direct loans, $290 million of commercial bank guarantees, and $716 million of FCIA insurance policies.

Collections of principal and interest on direct loans during 1968 contributed $952 million to the balance of payments, and an estimated additional balance of payments benefit of over $750 million resulted from the insurance and guarantee programs.

Each transaction in which Eximbank participates directly benefits U.S. industry and helps maintain economic prosperity. Abroad, more nations are able to raise their economic sights because U.S. equipment, services, and technology are available to them. Without the credit facilities of Eximbank, U.S. exporters would in many instances require cash payment from the foreign buyer, which is not possible for many countries or not feasible from a competitive standpoint.

Funds for Eximbank's operations are derived from a number of sources. Capital stock and accumulated reserves used in the business of the Bank provide over $2 billion in funds. Although the Export-Import Bank Act of 1945, as amended, authorizes Eximbank to borrow on a revolving basis up to $6 billion from the U.S. Treasury, such borrowings have been relatively small in recent years. Instead, Eximbank has sold certificates of participation in its portfolio, debentures, and short term discount promissory notes—all in the public money market. A further source of funding, which has the added advantage of improving the U.S. balance of payments, is the sale abroad of certificates of beneficial interest in individual loans.

Recent legislation has had an important impact on several aspects of Eximbank activity in 1968 the life of the Bank was extended to June 30, 1973, and its overall commitment authority was increased from $9 billion to $13.5 billion. The same law prohibited the Bank from participating in financing sales to communist countries unless the President determines it is in the national interest for it to do so (at present the only such determination relates to Yugoslavia). In no case may Eximbank participate in assisting credit sales to or for use in North Viet-Nam, or countries the governments of which assist North Viet-Nam, so long as U.S. forces are engaged in hostilities there. Eximbank also may not participate in credit sales of military equipment to less developed countries.

Another recent piece of legislation permits Eximbank to participate in higher risk transactions to assist the balance of payments and the commercial interests of the U.S. This act established the so-called "export expansion facility," authorizing the Bank to assist export transactions which offer a "sufficient likelihood of repayment to justify the Bank's support in order to actively foster the foreign trade and the long term commercial interest of the United States", as contrasted to the Bank's traditional statutory requirement of "reasonable assurance of repayment."

SPECIAL TRADE REPRESENTATIVE SHOULD BE APPOINTED TO REPRESENT THE ENTIRETY OF AMERICAN ECONOMY

Mr. EAGLETON. Mr. President, during the past several weeks there has been a persistent rumor that the President intends not to appoint a special trade representative, but to turn over the responsibility for negotiating foreign trade agreements to the Department of Commerce.

Clearly trade negotiations are of concern to the entire U.S. economy and cannot be the responsibility of only one department of the Federal Government. The Department of State is vitally interested in trade negotiations. So, too, the Departments of the Treasury, Labor, Commerce, and Agriculture are equally concerned with the results of trade negotiations.

I believe that most people realize that all Western countries are in constant need of reappraisal of their trade policies, both at the national and the international level.

If further imbalance and difficulties are to be avoided, countries must not act in isolation, but rather each country must share in the development of constructive international policies.

I believe that the White House Office of the Special Trade Negotiator is necessary if we are to pursue an enlightened policy toward international trade.

As you know, the position of special representative for trade negotiations was authorized by section 241 of the Trade Expansion Act of 1962—Public Law 87-794.

The agricultural community, in particular, fears that, should a shift in jurisdiction occur, its right to adequate representation will be impaired.

I believe that this fear is not without some justification.

Agriculture, including the producing farmers, together with agribusiness firms which supply them and which process and market farm products, has a tremendous stake in the future of trade negotiations.

One out of every four acres of land our farmers harvest produces for export.

Approximately seventy-one million acres of U.S. farmland produced for export in fiscal 1968, about 25 percent more than the 1958-60 average.

The agribusiness effort that underlies these exports provides an estimated one million jobs.

In fiscal 1967, two-thirds of our milled rice was exported; over half the wheat; nearly half the cotton; more than a third of the grain sorghums, soybeans, and tobacco; and more than one-fourth of the flaxseed.

In recent years exports of farm products have contributed increasingly to our favorable balance of trade.

Secretary Freeman, speaking in January 1968, said:

> Four years ago agricultural exports accounted for only 29 percent of our favorable balance of trade, but currently they are accounting for over 50 percent. The achievement is even more impressive in view of the fact that agricultural shipments make up only 22 percent of total exports.

The gain in agricultural exports in recent years has been the result of a series of coordinated activities—trade negotiations, more competitive pricing, and export promotion.

In was a historic step forward when the members of the General Agreement on Tariffs and Trade agreed to include agricultural trade problems in the Kennedy round trade negotiations which concluded in the spring of 1967.

As a result of these negotiations, we gained in our trading position in fruits and vegetables, oils, tobacco, variety meats, tallow, and some others. Other countries cut their import duties an average of 40 percent on products accounting for $700 million of our annual agricultural exports. Reciprocally, we cut our duties on average of 39 percent on about $500 million of the agricultural products we import. We also negotiated a new International Grains Arrangement which is helping all free world wheat exporting countries in this period of overly large world grain supplies.

Agriculture is especially vulnerable to retaliation, in addition to facing many other problems intricately involved in international trade.

I fear that should the office of special trade negotiator be shifted to the Department of Commerce, agriculture will not receive the attention or consideration it needs and deserves.

I wish to emphasize that I would be as vehemently opposed to shifting the special trade negotiator to the Department of Agriculture as I am over its impending switch to the Department of Commerce.

I believe that it will be a sad day for the U.S. position in international trade when the special representative for trade negotiations is demoted from his present position as a direct representative of the President to that of the head of an agency within any specific department.

For these reasons, I have joined with Senators SYMINGTON, BAYH, BURDICK, HUGHES, MCGOVERN, METCALF, MONDALE, HART, NELSON, and PROXMIRE in sending an open letter to the President which expresses our concern over the rumored change in jurisdiction.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD. I also ask unanimous consent that several letters and telegrams from various groups concerned about this matter be printed in the RECORD following the letter to the President.

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

MARCH 20, 1969.

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

DEAR MR. PRESIDENT: We are disturbed by continuing rumors that it is your intention not to appoint a Special Trade representative, but to turn responsibility for negotiating foreign trade agreements over to the Department of Commerce.

The Office of Special Trade Representative was created by Congress in 1962 for the specific purposes of insuring that all sectors of the American economy would be fairly represented in any trade negotiations, and that agreements resulting from such negotiations would reflect an optimum use of our export potential. If this function is now turned over to the Department of Commerce, we fear that an industrial bias will develop in our trade agreements, and that the great export potential of American agriculture may be wasted.

Agricultural products now account for about 25 per cent of America's gross annual gold earnings. As you know, however, this important element in our balance of payments is extremely vulnerable to retaliation, particularly in Europe and Japan, if the United States seeks relatively more favorable treatment for industrial goods at the expense of agriculture.

The American agricultural community, and, we believe, all Americans interested in maximizing our export earnings, would like to be reassured that you will fulfill this intent of Congress by placing responsibility for American trade negotiations in the hands of a competent and objective Special Trade Representative.

Sincerely,

BIRCH BAYH, QUENTIN N. BURDICK, HAROLD E. HUGHES, GEORGE S. MCGOVERN, LEE METCALF, WALTER F. MONDALE, PHILIP A. HART, GAYLORD NELSON, WILLIAM PROXMIRE, STUART SYMINGTON, THOMAS F. EAGLETON.

MARCH 5, 1969.

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

We urge that you give highest priority to the naming of a special trade representative to insure that coordination of critical national trade policy issues is accomplished through appropriate balancing of broad foreign policy, agricultural and other commercial interests.

Recent reports from Europe appear to reconfirm the values of trade negotiations at the highest possible executive levels, to minimize misunderstandings which could jeopardize American foreign markets and world trade patterns.

American agriculture would be dealt a particularly serious blow by any narrowly-conceived action, here or abroad, which failed to consider all implications for trade and international relations. The office of the special trade representative, directly responsible to the President, is uniquely qualified to perform this service in a way which harmonizes the interests of the various executive departments with our highest goals for national welfare.

CHARLES B. SHUMAN,
President,
American Farm Bureau Federation.
KENNETH D. NADEN,
Executive Vice President,
National Council of Farmers Cooperatives,
TONY DECHANT,
President, National Farmers Union.
JOHN W. SCOTT,
Master, National Grange.

MARCH 6, 1969.

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

We are gravely concerned over the erosion of prestige of the Office of the Special Trade Representative, at a time when trade issues are of crucial and immediate importance for American agriculture and our national balance of payments.

We urge that every effort be made to name promptly a strong, permanent replacement for former Ambassador William Roth, in order that our international trade affairs can be handled with fairness to all U.S. interests and at the highest possible executive level. Any failure to coordinate our trade affairs in this fashion will result in damage not only to immediate U.S. trading interests

but to our prestige and effectiveness in future international trade negotiations.

Chet Randolph, Executive Vice President, American Soybean Association; Carl Dumler, President, Great Plains Wheat, Inc.; Fred V. Heinkel, President, Midcontinent Farmers Association; E. L. Hatcher, President, National Association of Wheat Growers; Milan D. Smith, Executive Vice President, National Canners Association; Kenneth D. Naden, Executive Vice President, National Council of Farmers Cooperatives; Oren Lee Staley, President, National Farmers Organization; Tony Dechant, President, National Farmers Union; Bruce J. Hendrickson, Executive Secretary, National Federation of Grain Cooperatives; John W. Scott, Master, National Grange; Sheldon J. Hauck, Executive Director, National Soybean Processors Association; Glenn H. Pogeler, President, Soybean Council of America; John D. Palmer, President, Tobacco Associates, Inc.; Alan T. Rains, Executive Vice President, United Fresh Fruit and Vegetable Association; John Thomsen, President, Western Wheat Associates; A. F. Troyer, President, Soybean Growers of America.

AUTOMOBILE MANUFACTURING ASSOCIATION,
March 14, 1969.

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

The Automobile Manufacturers Association wishes to apprise you of the importance its members attach to certain observations and recommendations on the future administration of United States foreign trade policy which were presented in a report to the President submitted by the Special Representative for Trade Negotiations on January 14, 1969. Executives of two of the Association's member companies, Mr. Arjay Miller, Vice Chairman of the Board of Directors, Ford Motor Company and George Russell, Vice Chairman of the Board of Directors, General Motors Corporation, participated in the preparation of the Special Representative's Report as members of the Public Advisory Committee on Trade Policy.

At this time the Association's members wish to call attention specifically to that Report's observations (page 83) with respect to where the trade policy and negotiating functions should reside, to wit:

"The diversity of considerations that must be taken into account in promoting the commercial interests of the United States makes no one existing department appropriate for this important task . . . On balance, therefore, a separation of the trade policy and negotiating functions from the regular departments is desirable."

The Association's members concur with this view and recommend that the formulation and coordination of the United States trade policy be the responsibility of a statutory agency within the Executive Office of the President and reporting directly to the President.

Respectfully,

THOMAS C. MANN,
President.

COMMITTEE FOR A NATIONAL TRADE POLICY, INC.
Washington, D.C., March 12, 1969.

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

MR. DEAR MR. PRESIDENT: We respectfully urge you not only to maintain the Office of the Special Representative for Trade Negotiations in the Executive Office of the President, but to strengthen the STR (1) by appointing as Special Representative someone who believes in genuinely freer trade and is capable of coping effectively with the complex economics and politics of this issue at home and abroad, and (2) by providing an adequate budget to ensure a professional staff of the highest rank and capability.

STR's primary purpose should be not only to organize the most effective U.S. effort against seriously restrictive trade barriers abroad, but also to assume primary responsibility under your direction for charting long-range U.S. trade policy. Keeping STR in the Executive Office is essential if there is to be any hope of the United States maintaining a coherent, consistent trade policy in the total national interest—one that adequately takes into account the multitude of economic and political factors that bear heavily on decision-making in this field. This kind of trade policy function cannot be exercised by any one of the regular Departments, not even by an inter-agency committee chaired by a regular member of the Cabinet.

President Kennedy recognized the importance of an independent STR in the Executive Office, not only to serve as the U.S. chief negotiator in international trade consultations, but also be the coordinator of inter-agency activity in this field. This was clearly the sense of Congress. This conception of the Office was admirably reflected in the appointment of Christian A. Herter as the first Special Representative. It was continued by President Johnson in the appointment of Governor Herter's deputy, William M. Roth, upon Governor Herter's death.

We would welcome an opportunity to discuss this issue with you or any officials you designate. It is no exaggeration to say that our feelings in this matter are very strongly held, and we know they are widely shared throughout the country.

As you may remember, having participated in our 1958 rally in support of the Trade Agreements Extension Bill of that year (President Eisenhower was the dinner speaker at the close of the conference), our Committee has had a leadership role since 1953 in stimulating and organizing nationwide support for genuinely freer world trade. This is the kind of trade policy that best serves the total national interest. We are convinced that an independent STR in the Executive Office is essential to maintaining and strengthening this kind of policy.

Respectfully yours,

CARL J. GILBERT,
Chairman.

NATIONAL SOYBEAN PROCESSORS ASSOCIATION,
March 7, 1969.

President RICHARD M. NIXON,
The White House,
Washington, D.C.:

The soybean industry is gravely concerned about the future of the Office of Special Trade representative. At a critical period when EEC soybean markets stand threatened, no top-level spokesman is available to speak for U.S. interests.

We strongly urge you to appoint a strong, permanent replacement for former Ambassador Roth, and maintain this important office at its proper executive office level. It is critical that trade negotiations be continued at the highest level possible.

SHELDON J. HAUCK,
Executive Director.

MARCH 7, 1969.

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

DEAR MR. PRESIDENT: The Special Trade Representative position created by the Congress in 1962 was established because of the need to have an independent unit attached to the White House which could coordinate the many interests of all facets of our economy which are affected by the Trade Policy of the United States. That need still exists.

The consumer interest is one which is not ordinarily represented by a single Federal Department or Bureau, but which is seriously affected by United States Trade Policy. The National Consumers League, therefore, urges you to speedily name a replacement for Ambassador Roth so that we can be assured of effective coordination of the differing views of the various Departments, as well as the Consumer viewpoint, in the continuing development and planning of United States Trade Policy.

Sincerely yours,

SARAH H. NEWMAN,
General Secretary.

LEAGUE OF WOMAN VOTERS OF THE UNITED STATES,
Washington, D.C., March 14, 1969.

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

The League of Women Voters of the U.S. urges you to retain the office of special representative for trade negotiations and to appoint the special trade representative at the earliest possible date. We strongly recommend that STR serve as the agency primarily responsible for formulating and coordinating the full range of U.S. foreign trade policy and for conducting U.S. trade negotiations.

In our judgement the overall public interest is best served by having these trade functions performed by a coordinating agency within the executive office rather than by the commerce or state department or any other of the existing departments.

Mrs. BRUCE B. BENSON,
President.

AMERICAN IMPORTERS ASSOCIATION,
New York City, March 10, 1969.

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

We strongly urge the continuance of the Office of Special Representative for Trade Negotiations and the appointment of a successor to Ambassador Roth at an early date. Placing the functions of trade policy formulation and negotiation in any existing department would make them subject to the over-riding goals of that department. As part of the Executive Office of the President, a special representative will assure that trade issues will be given the importance they deserve. Coordination of United States trade policy in any other way will seriously affect U.S. prestige and ability to negotiate.

GERALD O'BRIEN,
Executive Vice President.

TOBACCO ASSOCIATES, INC.,
Washington, D.C., March 7, 1969.

Re Office of the Special Trade Representative.

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

DEAR MR. PRESIDENT: Tobacco Associates is an organization representing more than 200,000 farmers in Virginia, the Carolinas, Georgia and Florida. Its primary function is to maintain and expand exports of tobacco grown in these states. During the past five years, such exports have represented 46% of production.

Tobacco production abroad has jumped fivefold since World War II with concomitant competition for us in the world market. The vital necessity for trade negotiations that will protect our share of that market is obvious. From our own almost day-to-day collaboration with the STR, we know that the office has done an outstanding job in that respect. We feel strongly that it should be continued as presently established.

Future trade negotiations could well be more important than in the past. As far as tobacco is concerned, the European Common Market is a case in point. Determined efforts have been underfoot for years to drastically reduce the $125 million annual market we now enjoy in the six countries. To a very

large degree these attempts have been contained through the efforts of the STR, and we are convinced that the office would be vastly more effective in preserving that position than any of the departments. Permit us, Mr. President, to strongly urge that you name a highly qualified successor to Ambassador Roth.

Respectfully yours,

JOHN D. PALMER,
President.

MARCH 7, 1969.

Strongly urge that the office of STR be retained and strengthened. This activity is too important to be buried in some other Department such as State, Commerce or Agriculture and if it were placed in any one of those would lose its impartiality and be governed by the viewpoint of the particular department it was in.

W. H. FRANKLIN,
President, Caterpillar Tractor Co., former Member of Public Advisory Committee for U.S. Trade Policy.

HUMAN RIGHTS CONVENTIONS: GENOCIDE—XXVIII

Mr. PROXMIRE. Mr. President, today I wish to urge the adoption of the Genocide Convention, whose major objective is to preserve man's most precious right—the right to live. Genocide is defined as the deliberate destruction or persecution of national, racial, religious, or ethnic groups. It is therefore obviously contrary to the founding spirit of this Nation, as embodied in the Declaration of Independence, the Constitution, and the Bill of Rights.

In 1946, the General Assembly of the United Nations requested the Economic and Social Council to undertake the necessary studies in order to draw up a draft convention on the crime of genocide. At the request of the Economic and Social Council, the Secretary General prepared a first draft of the convention and circulated it to member states for their comments in 1947. The Secretary General was at this stage assisted by an impressive group of international law experts, including the late Dr. Raphael Lemkin, who in 1944 had coined the term "genocide." During the Paris session of the General Assembly, this draft was debated by the Legal Committee and eventually adopted by the General Assembly on December 9, 1948. Mr. President, the United States voted for its adoption.

The text of the convention confirms that genocide is a crime under international law, whether committed in time of peace or war. Of even greater importance, the convention states that all persons committing genocide shall be punished, be they constitutionally responsible rulers, public officials, or private individuals. Though genocidal crimes are not to be confused with political crimes, those guilty will be subject to the rulings of their competent national court, or, if possible, an international penal tribunal.

Mr. President, over 70 nations have ratified the Genocide Convention since 1948, including Canada, France, Italy, India, and Russia. However, in the United States, the Genocide Convention has languished in the Foreign Relations Committee for 20 long years. We can no longer tolerate the possibility of a reenactment of any inhumane annihilation such as that carried out by the Nazi government of Germany during World War II. We can no longer tolerate the hideous crimes against humanity seen today all over the world.

Mr. President, we can no longer afford not to ratify this Genocide Convention at the earliest possible date.

A NEW "ANTHOLOGY" ON THE AUTO INDUSTRY IS PUBLISHED BY THE SENATE SMALL BUSINESS COMMITTEE

Mr. NELSON. Mr. President, the Senate Small Business Committee today is publishing a new and very exciting anthology on the automobile industry in general and General Motors Corp. in particular.

That is the way I would describe a 1,091-page book that is being released today and that will also be placed on sale by the Superintendent of Documents, Government Printing Office, at $4.75 a copy.

The formal title of this very important new book is "Hearings Before Subcommittees of the Select Committee on Small Business, U.S. Senate, 90th Congress, Second Session, on the Question: Are Planning and Regulation Replacing Competition in the American Economy? The Automobile Industry as a Case Study."

Bearing also the short title "Planning, Regulation, and Competition: Automobile Industry—1968," this volume includes the complete testimony of Ralph Nader, auto industry critic, at 2 days of hearings last summer; an extensive written rebuttal by General Motors; papers by several university professors commenting on the Nader and GM presentations; and over 200 letters, articles, charts, and tables submitted for the record as exhibits by Nader, by GM, and the other auto manufacturers, or by the subcommittees themselves.

A computer print-out of certain unit-cost data from a Ford assembly plant, presented to the subcommittees by Mr. Nader, occupies 43 pages of the record.

The table of contents and list of exhibits alone are 14 pages long—see exhibit 1. While the volume is being published at this time without a topical index, we are exploring the possibilities of having one prepared and published separately at a later date. With such an index, this book will not only be an anthology on the auto industry, it will be something close to an encyclopedia.

CENTRAL QUESTIONS

The question in the title of the hearings—Are planning and regulation replacing competition?—first came under study by two subcommittees of the Senate Small Business Committee in 1967. The joint project was undertaken by the Subcommittee on Monopoly, which it is my privilege to chair, and the Subcommittee on Retailing, Distribution, and Marketing Practices, then presided over by former Senator Wayne Morse.

At a panel-session hearing held by the two subcommittees in June 1967, Harvard Prof. John Kenneth Galbraith was questioned by fellow witnesses and by Senators about his views on the "inevitability" of markets coming under the domination of giant corporations. Another witness, Michigan State Prof. Walter Adams, had asserted that market power of the large corporations was both excessive and unnecessary and could be avoided by a Government policy more forcefully favorable to competition. Both professors had cited the automobile industry in illustration of their points.

Our 1968 hearings, which we publish today, were intended to explore with witnesses from and critics of the automobile industry the issues raised by Galbraith and his critics. But, when industry witnesses were informed that they would be expected to join a panel of which Ralph Nader would be a member, we encountered a unanimous disinterest in participation. The Big Four auto makers, the Automobile Manufacturers Association, and tiny Checker Motors Corp., all declined the subcommittees' invitations to join a witness panel that would also include Mr. Nader. Accordingly, Mr. Nader was the only witness to appear before us in person.

Subsequently, the big three auto companies again received and declined invitations to appear before the subcommittees and respond to Mr. Nader's testimony, although each of them did answer in writing some—not all—of the questions we put to them in writing. In the case of General Motors, the written materials submitted to us take up 256 pages of the printed record, and they are, as far as they go, extremely interesting and helpful.

SECRECY A MAJOR ISSUE

Despite its length, the statement by General Motors failed to answer the questions the subcommittees thought most important. Not only GM but the other auto majors refused to supply data on divisional sales and profits, and on unit costs of production.

GM did try to refute an allegation that the unit labor cost of a medium-priced car does not exceed $300. To do so, the company applied the percentage of its total sales dollar paid to employees—as revealed in its 1967 annual report—to the average wholesale price of its cars. The exercise resulted in the figure $1,000 as the "approximate" direct and indirect labor cost of a GM car.

For my part, I found the exercise unconvincing and the number that it produced unworthy of serious attention. I made that view known to officials of General Motors; nevertheless, they continued to trumpet their break with the industry's secrecy tradition in having revealed this "confidential" information on the labor cost of building a car. When General Motors' Chairman J. M. Roche gave that figure to a Newsweek reporter, and the magazine carried it as an example of "new candor" from GM—see exhibit 2—I was constrained to respond.

In a letter to the editor of Newsweek—see exhibit 3—which was carried in the February 17, 1969 edition, I said, in part:

> Using this same method and annual-report figures, we could ascertain that Mr. Roche and a GM factory floorsweeper each received approximately $8,700 in salaries in 1967.

I might add that the Ford cost data that were given to our subcommittees by

Mr. Nader indicated that the direct labor costs of assembly of 19 models of 1966 Fords ranged from $54.51 to $78.82. I inserted the factory cost data and related materials and analysis in the CONGRESSIONAL RECORD on September 25, 1968.

IMPASSE REACHED

So the subcommittees and the automobile companies found themselves reduced in this impasse: the subcommittees felt—and I continue strongly to believe—that we had to have divisional profit and unit-production-cost data to know whether or not Galbraith and Nader were right in their assertions about the demise of competition and the existence—and misuse—of the market power. The companies insisted—and they continue strongly to maintain—that their market power was so tenuous, and competition in their industry so fierce, that to reveal the requested information would have grave competitive consequences for each of them.

General Motors went so far as to entitle the lengthy paper it delivered to the subcommittees: "The Automobile Industry: A Case Study in Competition."

GALBRAITH COMMENT

For suggestions and broader insights, we sent the Nader and GM presentations to a number of economics professors, requesting comments. Five responded.

One of the shortest and harshest of the five commentaries included in the hearings volume is by Professor Galbraith. He expressed incredulity that the GM statement could actually have been prepared by GM. The Harvard professor began:

> That it could come from a wills and deeds lawyer in the most remote boondock would be surprising. As the defense of the nation's largest industrial firm on an important issue, it is simply not to be believed.

In attempting to refute the whole model of oligopoly—industries having only a few firms—as one important form of existing industrial organization, and maintaining that the auto industry provides real, classical—as opposed to oligopolistic—competion, GM was defying almost all economic analysis, not just his, Galbraith argued. He wrote:

> For General Motors does not refute my case by putting itself where virtually all economists who dissent from my view would place it. Oligopoly as a category is not even mentioned. It leaps back thirty-five years to the unbelievable claim that General Motors conforms to the competitive model. * * * Faced with the contention that the world is not quite round, GM goes unhesitantly back to the argument that it is flat.

INTENSIVE STUDY SEEN REQUIRED

In a paper entitled "Statement Regarding Competition in the Automobile Industry," Associate Professor of Economics Mark Schupack, of Brown University, contends:

> Despite the arguments submitted by General Motors Corporation, * * * competition in the automobile industry is not as satisfactory as it might be from the point of view of the consumer and society as a whole.

Professor Schupack urged a "comprehensive study of the automobile industry aimed at developing the necessary data to propose policy action." He argued that, while such a study might cost $2 to $5 million, it could save American consumers $1 billion a year if it resulted, as it quite conceivably could, in a 5 percent average price reduction in cars.

Sidney L. Carroll, assistant professor of economics at Louisiana State University, wrote the subcommittees that "the materials submitted by General Motors may raise more questions than they answer." He proceeded to list some 26 such questions as a sample, ranging from points on the alleged economies—and some real diseconomies—of scale to "why does not GM give expense account information to stockholders?"

CORPORATE POLITICAL POWER

Prof. Douglas F. Dowd, of Cornell's economics department, suggested that the most important area for further inquiry might be the "political power held by those corporations that possess concentrated market power." He criticized the passivity about the issue of market power that is displayed by the U.S. Government in general and the Justice Department's Antitrust Division in particular.

In a joint paper, Prof. Samuel M. Loeschler and Associate Prof. Lloyd D. Orr, of Indiana University's economics department, argued for reduction of concentration as the ideal solution, but acknowledged that "currently this is probably not feasible for a variety of political and, occasionally, technological reasons." The next-most-useful policy that Government might adopt, they said, would be a requirement of regular, detailed disclosure of divisional operations data from giant firms.

SUBCOMMITTEE PLANS

Mr. President, we have only scratched the surface of this question on the planning and regulating of our lives and the economy by giant corporations. My Subcommittee on Monopoly will be continuing to explore the subject this year and quite possibly for several years to come. We are now planning the first few of a lengthy series of panel-session public hearings at which the experts whose papers appeared in the RECORD, and others, can be interrogated by Senators and by one another.

Our aim for now is to promote constructive dialog among all the major contending views on the role and future of the giant corporation. We are especially interested in adding to the dialogue voices from some of the disciplines other than economics and law. I suspect that the cultural anthropologist, the historian, the sociologist and the diplomat, for example, can give us insights that will provide new perspectives on the arguments that anciently have raged among economists and antitrust lawyers.

For the present, I am not going to try to force the issue of divisional accounting and unit-cost data with the auto makers, but I emphasize those words, "for the present."

PARTIAL CONTENTS OF HEARINGS

Mr. President, at the conclusion of my remarks I shall ask permission to insert in the RECORD the complete table of contents and list of exhibits of this remarkable hearings volume; but I should also like now personally to inform Senators of some of the more important items. A partial list of the materials includes:

Oral testimony of Ralph Nader at 2-day hearings in July 1968, with over 100 supporting exhibits.

A letter from RSL Corporate, of Cleveland, on its plans to introduce a new American motor car—committee exhibit 31, page 42.

A statement of the subcommittee's purposes and concerns in the hearings—exhibit 40, page 93.

A summary of all antitrust actions by the Justice Department against General Motors, Ford, and Chrysler—exhibit 16, page 19.

A summary of all Federal Trade Commission actions against major automobile manufacturers—exhibit 17, page 24.

Comments of the major automakers on the Justice and FTC summaries—exhibits 18, 19, and 20, beginning page 29.

Complete texts of the certificate of incorporation and the bylaws of General Motors Corp.—exhibits 47 and 48 beginning on page 109.

Internal-audit standard-unit-cost data from a Ford assembly plant, and analysis of apparent Ford markups over factory costs included in the wholesale prices of certain 1966 cars and optional accessories—exhibits 75 through 77, beginning on page 268.

Correspondence between Ford Motor Co. and the subcommittee concerning the committee staff's analysis of Ford's apparent markups over factory costs in 1966—appendix III, D, E, and F, beginning on page 603.

Questions the subcommittees most wanted General Motors, page 607; Ford, page 600; Chrysler, page 594; and American Motors, page 591, to answer, after hearing Ralph Nader's testimony.

Complete text of General Motors' statement, "The Automobile Industry: A Case Study of Competition"—pages 617-728.

General Motors' responses to the subcommittees' questions—pages 729–749—and supporting exhibits—pages 750–890.

Ralph Nader's 59-page bibliography on General Motors—pages 974–1032.

Commentaries on the General Motors statement and responses by Prof. Sidney L. Carroll, Louisiana State, page 906; Prof. Douglas F. Dowd, Cornell, page 910; Prof. John Kenneth Galbraith, Harvard, page 910, Profs. Samuel M. Loeschler and Lloyd D. Orr, Indiana University, page 913; Prof. Mark B. Schupack, Brown University, page 917; and Ralph Nader, page 933.

DESCRIPTION OF EXHIBITS

Mr. President, three exhibits are a part of my statement. Exhibit 1 is the complete table of contents—including the list of exhibits—of the hearings on "Planning, Regulation, and Competition: Automobile Industry, 1968." Exhibit 2 is an article from Newsweek magazine of January 27, 1969, in which General Motors' chief executive, Mr. Roche, is reported to have again made the claim that GM had disclosed some new and confidential information on its costs to subcommittees of the Senate Small Busi-

ness Committee. Exhibit 3 is my letter to the editor of Newsweek, commenting on that claim.

Mr. President, I ask unanimous consent that these three exhibits be printed in the RECORD.

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

EXHIBIT 1

(From hearings on "Planning, Regulation and Competition: Automobile Industry—1968")

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HEARING DATES

July 10, 1968: [1]
Morning session 1
July 23, 1968:
Afternoon session 425

[1] Note changed date. Originally announced (by letter) for July 9.

EXHIBIT 2

[From Newsweek, Jan. 27, 1969]

AUTOS: FRESH AIR AT GM

As the world's largest manufacturing company, General Motors Corp. produces a truly staggering share of its wealth. From 1949 through 1967, GM sales were $236 billion—equal to the gross national product of many of the nations of the world over those same nineteen years. In 1967, a typical year, GM paid out $230,000 in taxes every hour of every day in the year. Ever hour of the day it also paid $730,000 in wages, and $1.1 million to its suppliers for parts.

Yet, for all that contribution, General Motors over the years has often seemed to neglect its public image. It has always soft-pedaled its bigness for fear of drawing fresh attention from the trust busters in Washington. It has often seemed imperiously insular; few Detroit reporters can forget that when President Kennedy was eyeball to eyeball with the Russians during the Cuban missile crisis, all of Detroit's leading automakers publicly and anthusiastically endorsed the President's actions except GM, which offered only a brusque "no comment." Its public-policy strategy has sometimes been inept, as in 1966 when it was discovered that giant GM had hired a private detective to shadow a young attorney named Ralph Nader, whose documented charges of unsafe GM cars eventually led to much of today's auto-safety legislation.

But in recent weeks and months, General Motors has been opening a wider window to the world, thanks primarily to James C. Roche, who moved up from president to chairman of the board last year. Last week, James C. Jones, Newsweek bureau chief in Detroit and a veteran of eighteen years on the automobile beat, visited Roche in his leathery fourteenth-floor office in the General Motors Building and the two talked about GM's new public posture. Here is Jones's report:

"If anything we've been too reserved in the past," Roche conceded early in our hour-long interview. "We've operated a lot on the basis that if we do the kind of job we should in serving our customers, then by our deeds we would be known." Yet, Jim Roche—more than any other GM chief executive in my experience—knows that deeds are not enough. "We're all living in an entirely different world now than in the past," he said, "and the vastly improved communications in the world have given an organization such as ours a visibility that perhaps it didn't have before. The public obviously has a great deal of interest in GM; otherwise, the press wouldn't spend the time and space on us that it does. It was perfectly obvious that we had to, and wanted to, adjust the company's system."

NO MONK

Adjusting that system has involved a number of GM's traditionally good, gray ways of doing things. For example, while some of Roche's predecessors lived almost like monks in the GM Building, commuting by shuffling down the hallway from their offices to living quarters on the fourteenth floor, Roche is assuming an increasingly bigger role as a public figure. He is an active member of New Detroit, Inc., and deals regularly with black militants and white establishment leaders alike in an effort to improve Detroit's sorry race relations. He also heads the U.S. savings-bond drive, a job that requires a great deal of travel, and the Radio Free Europe fund-raising campaign. Both are chores that previous GM chief executives might have ducked.

But it is in corporate activities that Roche has worked the biggest changes. Instead of shrinking in horror from any mention of its astronomical size, General Motors is now stoutly defending it. Last month, Roche hammered at that theme in delivering a thoughtful essay entitled "The Key to Government-Business Cooperation" to the Illinois Manufacturers Association.

"I wanted to beef up this presentation and make two strong points," he told me last week. "One, we live in a big world, with big government, big labor and big business. Bigness per se is not bad. On the contrary, it is constructive and it made possible much of our national economic progress. And two, business not only has a responsibility, but it is anxious to work with government when it can make a contribution. I've been very gratified by the response to that talk."

GM pulled two other surprises last fall. The first came when two Senate subcommittees, investigating competition in the auto industry, asked for information from GM. The company not only submitted a remarkably candid and well-documented 98-page report on how competitive the industry really is, but it broke a historic precedent by pinpointing some of its major costs (about $1,000 for labor and $134 for tooling on an average car). The second surprise came when GM released its price list on 1969 cars. Normally, company press agents dump the lengthy lists and accompanying press releases on editorial desks and allow reporters to find their own way through the bewildering thicket of numbers. However, this year Roche, president Edward Cole and a group of other GM executives called a news conference, offered a twelve-page explanatory statement on prices and then submitted to questioning on the firm's price structure. As Roche recalled proudly last week: "For a change, we tried to answer questions in advance of the release of prices so as to help the reporters to have the facts as we saw them. We got a better interpretation than ever before."

UNDERSTANDING

Why the change at GM—and why wasn't it made before? Understandably, Roche refuses to blame any of the men who preceded him at the top. But unlike the last chairman, Frederick Donner, who was a financial man, or former president John Gordon, an engineer, Roche did have public-relations experience while serving as general sales manager for Cadillac Division. "I've been fortunate in that respect," he said, "I think I understand some of the media's problems and I think they understand some of mine."

To longtime observers of both GM and Jim Roche there was a turning point for both the company and the man, and it came on March 22, 1968. On that day, Roche sat before a Senate subcommittee and delivered a genuinely sincere and personal apology to Ralph Nader and the U.S. Senate. As it turned out, Roche learned along with the general public that a GM subordinate had assigned a private detective to tail Nader. It was a soul-shattering experience for Jim Roche, to whom integrity is everything. As he told me that somber day: "I've been at General Motors for 38 years and nothing like this has ever happened. This is the worst experience I've had." Last week, I left his office feeling certain that it was also an experience from which Roche and General Motors have both benefited.

EXHIBIT 3

[From Newsweek, Feb. 17, 1969]

A QUESTION OF CANDOR

WASHINGTON, D.C.

In his laudatory report on an interview with General Motors chairman James M. Roche (Business and Finance, Jan. 27) Newsweek's Detroit bureau chief James C. Jones refers to GM's having been "remarkably candid" in its dealings with two Senate subcommittees "investigating competition in the auto industry." As chairman of one of those committees, I must regretfully differ.

In the first place, GM declined an invitation from us for Mr. Roche (or any other top officer or representative) to appear in person at our public hearings and participate in open discussion of the issues. (So did all the other auto companies and the Automobile Manufacturers Association.) In the second place, after Ralph Nader's testimony had pinpointed a number of areas of real concern, GM submitted a 98-page statement containing interesting and valuable—but often irrelevant—information, and another 72 pages of careful non-answers to the questions we thought most important.

I was disappointed to find Mr. Roche referring, in his talk with your reporter to GM's "disclosure" of its labor and tooling costs . . . as an example of "candor," for that was the prize example of a non-answer to an important question. On its cost of building a car, GM came up with a squishy-soft $1,000 reply, reached in this fashion: GM's annual report (1967) "reveals that 31¾ cents of each sales dollar went to employees for payrolls, employee benefit plans, etc. Since the average wholesale price of GM cars is slightly over $3,000 (including optional extras), this means that the labor costs (direct and indirect) would be approximately $1,000 per car." Tooling-cost figures were similarly reached.

Using this same method and annual-report figures, we could ascertain that Mr. Roche and a GM factory floorsweeper each received approximately $8,769 in salaries in 1967.

I do not think that GM's board of directors would settle for that kind of "candid" labor-cost accounting, and I do not think that our subcommittees—and the public and GM's stockholders—should continue to do so.

GAYLORD NELSON,
Chairman, Subcommittee on Monopoly, Select Committee on Small Business, U.S. Senate.

GOLDEN SPIKE CENTENNIAL: 100 YEARS LATER, THE NATION ONCE AGAIN AWAITS WORD FROM UTAH

Mr. BENNETT. Mr. President, on May 10, 1969, ceremonies at the Golden Spike National Monument at Promontory, Utah, will celebrate one of our great American dreams—the completion of the first transcontinental railroad. On that date 100 years ago, President Leland Stanford, of the Central Pacific, and Vice President Duran, of the Union Pacific, drove a golden spike to climax the road building race, joining twin bands of steel stretching from ocean to ocean.

The railroad engineers conquered Indians, sweltering heat, subzero weather, and the seemingly unassailable ramparts of the towering Rockies and Sierra Nevadas. A heterogeneous host of workmen was used—including brawny Irishmen, pigtailed Chinese, and industrious Mormons. Success was achieved only by a miracle of organization and teamwork, and by the unbelievable endurance of the men who laid the rails.

The "Marriage of the Rails" fulfilled the dream of Columbus for a shorter route to the Orient, insured possession of the entire West to the United States, and began a new era of development for the Nation.

In 1961, I introduced the first Golden Spike National Monument bill, and I was deeply gratified in 1965 when legislation authorizing the development of a fitting memorial at Promontory, Utah, was enacted. The National Park Service will dedicate the visitor center museum at the Golden Spike National Historic Site on May 10, and a number of commemorative events are planned throughout the country. So that Senators may be fully aware of these plans, I ask unanimous consent that two articles published in the New York Times of Sunday March 23, 1969, be printed in the RECORD. The first is by my friend Jack Goodman, the excellent New York Times correspondent in Utah, who has written a great many travel-page stories on my State. His article is entitled "100 Years Later, the Nation Once Again Awaits Word from Utah."

The other story is entitled "Rail Fans' Pilgrimages to Promontory."

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

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

100 YEARS LATER, THE NATION ONCE AGAIN AWAITS WORD FROM UTAH

(By Jack Goodman)

PROMONTORY, UTAH.—The redolent sagebrush, the desolate ranges skirting Great Salt Lake, the great sweep of high-country sky are just as they were a century ago—before the iron rails met here.

Curlews, wild ducks and herons wing north across the salt-edged marshes. Topping an occasional gravelly hillock in his comfortable sedan, the wayfaring stranger can easily see 50 miles across the glinting inland sea to the snow-tipped, 11,000-foot-high Wasatch Range closing off the far horizon.

He must peer hard and sharp, however, to spot signs of man's handiwork: a tottering telegraph pole, weathered by the never-ceasing wind and glaring sun of this upland desert country; a distant, yellowing stand of winter wheat contrasting with the gray-green sage; some splintered wood pilings, remnants of trestle work hewn 100 years ago.

On May 10 at this remote spot, the joining, 100 years ago, of the nation's first transcontinental rails will, at long last, be properly memorialized. To mark the centennial of an event that is pictured in most grade-school history books and promptly forgotten, the National Park Service will dedicate a visitor center museum at Golden Spike National Historic Site. Its attractions will include a mile of restored track and two period-piece locomotives.

THE PRECISE TIME

At 1:47 P.M., Mountain Daylight Time, precisely a century after Leland Stanford, president of the Central Pacific Railroad (now the Southern Pacific), and former Governor of California, swung his silver maul at a golden spike imbedded in a tie hewn from laurel, a troupe of collegiate actors, local residents and servicemen from nearby military establishments will re-enact the events of May 10, 1869. Historically, the time is re-

corded at 12:47 P.M., for Daylight Saving Time was not then in use.

Governors of states that were territories when the rails were first moved west will speak in praise of the hard-handed pioneers, and President Nixon may be on hand for some speechmaking. But a telegraph key, hopefully the same one used a century earlier, will click out three dots, representing the hammer blows, and a terse "done" before repeating over Western Union wires the announcement of completion that was sent to President Grant and a waiting nation.

A LARGER CROWD

About 3,000 spectators are expected for the re-enactment, twice as many as there were at the proceedings in 1869. But none of them will reach Promontory by train, for you cannot get here by train anymore.

The spot where the Central Pacific Railroad's Jupiter and the Union Pacific's No. 119 clanked their snouts together 100 years ago lies 30 miles from the present transcontinental railroad route. Only when the wind is precisely right does the sound of a diesel locomotive's horn break the silence of Promontory Summit.

Because of its isolated locale 80 miles north and west of Salt Lake City, Promontory has never been a lure even for the history-minded or for railroad enthusiasts. But with the improvement of Golden Spike National Historic Site, vacationists traveling to Yellowstone, Grand Teton, Zion or Bryce Canyon National Parks are expected to swing off Interstate 15 and detour over State Route 83 to a setting that once swarmed with Irish and Chinese gandy dancers, mule skinners, bewhiskered surveyors and card sharpers.

North of Ogden, Utah's second-largest city and the junction of the present-day Union Pacific and Southern Pacific mainlines, the highway hugs the benchland and meadows beneath the peaks of the Wasatch. Dairy barns, old Mormon stone houses, irrigated orchards and railroad tracks are left behind at tiny Corinne, a "sin city" to pious Mormons of the rail-laying era but a community that the region's Gentiles envisioned as a bustling transfer point between trains and steamboats then operating on the Bear River and Great Salt Lake.

Beyond this semi-ghost town, Route 83 swings westward for about 25 miles, following the rail-less embankment of the long-abandoned pioneer line. Beginning in 1869, and continuing for 32 years, this was the route of countless chuffing locomotives hauling equally countless trainloads of immigrants to alluring, mushrooming California.

MAINLINE REROUTED

In 1903, this single track to Promontory and the green groves across the Sierra Nevada lost its mainline status with the opening of the $8,300,000 Lucin Cutoff over Great Salt Lake. The cutoff, over rock-fill and trestles, slashed 44 miles and the steep grades of Promontory Summit from the transcontinental run.

From 1903 until 1942, the old route through Promontory was a somnolent Southern Pacific branch serving a few ranch communities. Then its rails were ripped up for wartime scrap, and local souvenir hunters pried rusted spikes from the weathered ties for use as paperweights.

Today's thoughtful voyager on the two-lane state asphalt paralleling the historic rail line can appreciate the labors of the thousand or more men who blasted, graded, shoveled, tamped ties and laid track at better than two miles a day across quicksand, gravel and salt marshes. Rounding the 5,000-foot-high shoulders of the Promontory Range, he comes face to face with more ridges, more marshlands, more rock—more miles of empty upland.

Suddenly, after a final downhill dip, the road divides at a newly marked junction, and a five-mile-long National Park Service road curves toward the handsome fieldstone-and-wood visitor center being completed at the scene of 1869's big event. A roadbed bearing light rails freshly spiked to hand-hewn, noncreosoted ties, a simple rock-and-cement pyramid, a flagpole bearing the Stars and Stripes—these are the chief ingredients of Golden Spike National Historic Site at Promontory. These and a pair of fairly early specimens of the locomotive builder's art.

ORIGINAL ENGINES SCRAPPED

As pilgrims to Promontory soon learn, the diamond-stacked Jupiter and the slimmer No. 119 went to Valhalla long before historians began searching out 1869 artifacts and railroadiana to mark the passage of an era. The National Park Service and the Golden Spike Centennial Celebration Commission valiantly shopped as far away as Central America for sisters of the much-pictured Union Pacific and Central Pacific locomotives. But for this year, at least, railroad enthusiasts who come to Promontory must make do with two turn-of-the-century engines.

The visitor center has authentic photographs, maps, drawings and assorted railroad-building items on display.

From the visitor center, self-guiding tours lead to remnants of original trestles, sidings, station foundations, hillside cuts, roadbed and grade. Included is the spot where the Central Pacific's Chinese crews laid 10 miles of rail, drove 55,000 spikes and fastened 14,000 bolts in a record-setting day, much to the chagrin of the Union Pacific's predominantly Irish construction team.

From about Memorial Day through Labor Day, there will be daily film showings and talks by ranger-historians at the visitor center, and each afternoon starting about 1:15, a costumed cast will re-enact the spike-driving ceremony that fixed Promontory in the pages of history and geography books.

THE MAJOR CELEBRATION

The most full-blown re-enactment will occur, of course, May 10. On that day, a host of dignitaries is scheduled to make the Salt Lake City-Ogden portion of the pilgrimage to Promontory behind a mammoth new Union Pacific Centennial-model diesel locomotive, with the railroad's last serviceable steam locomotive, No. 8444, as a pacesetter.

Limousines and buses will haul officials, bearded actors and troops garbed in the blue uniforms of the Indian-chasing 21st Infantry to Promontory, where a thousand or so descendants of the pioneer railroad builders, many of whom live in Brigham City and Corinne, will be on hand to help dedicate the visitor center-museum.

Steam whistles of the near-replicas of the Jupiter and No. 119, trucked to the spot, will wail a mournful note. Someone still to be named will swing carefully at the original golden spike, and a telegrapher will again tap out the message that went to Grant:

"Sir, we have the honor to report the last rail is laid. The last spike is driven. The Pacific Railroad is completed. The point of junction is 1,086 miles west of Missouri River and 690 miles east of Sacramento City, Calif."

The telegram was signed by Stanford for the Central Pacific, and by T. C. Durant, Sidney Dillon and John Duff for the Union Pacific.

Shortly after the dedication ceremony the golden spike, which is now the property of Stanford University, will be returned to its owner, but hopefully not until at least a few thousand visitors to Promontory have pondered its inscription.

"May God continue the unity of our country as this railroad united the two great oceans of the world."

RAIL FANS' PILGRIMAGES TO PROMONTORY

SALT LAKE CITY.—Railroaders, rail enthusiasts, historians, Federal officials and curious travelers will be crowding trains—and planes—destined for Utah this spring and summer to join in Golden Spike Centennial events commemorating the completion of the nation's first transcontinental railroad.

The attention of most of the historians will focus on Promontory Summit. There, a visitor center-museum will be dedicated at Golden Spike Monument Historic Site on May 10, and the driving of the golden spike will be re-enacted on that day and then daily from about Memorial Day through Labor Day.

However, the attention of railroaders and rail fans will be on rolling stock, excursions and displays of equipment. In the center of the spotlight will be a mammoth steam locomotive of World War II vintage, the Union Pacific's No. 8444, which on May 10 will haul celebrators from Salt Lake City to Ogden, as close as mainline rails now reach toward lonely Promontory.

Beginning May 11 and continuing at least through May 14, the Union Pacific will operate the same 4-8-4 class engine in daily excursion passenger service between Utah's capital and Ogden. On this round trip of some 80 miles at a fare of $2.23, thousands of visitors are expected once again to ride behind, see, hear and photograph a representative locomotive of a nearly vanished breed. The one-way fare will be $1.22.

LONG-DISTANCE TRIPS

Those who can afford it are going even farther in their efforts to mark the Golden Spike Centennial. Several long-distance excursions are planned from various parts of the nation, the most extensive and expensive being a $995 two-week round trip between New York and Ogden. Much of the way, it will be powered by steam.

The tour, which is being arranged by the High Iron Company, Inc., P.O. Box 200, Lebanon, N.J. 08833, is being billed as the "steam trip of the century." A special train, the Golden Spike Centennial Limited, will consist of air-conditioned coaches with a capacity of 150 passengers, a twin-unit dining car, a parlor-dome car and two observation cars. It will depart from Grand Central Terminal on May 3.

A Penn Central electric locomotive will pull the Centennial Limited as far as Harmon, N.Y., where the train will be coupled to another World War II-vintage steam locomotive, No. 759, a 2-8-4 type once owned by the Nickel Plate Road. The train will continue under steam power to Kansas City, Mo.

From Kansas City to Salt Lake, the train will be pulled by the newest, most modern diesel-electric locomotive operated by the Union Pacific, a newly designed, 6,600-horsepower unit dubbed the Centennial model. The High Iron Company's steam locomotive will be left in Kansas City because the Union Pacific now lacks watering, coaling and steam-engine service facilities on its Nebraska-Wyoming-Utah main line, the route built in 1869.

UNDER STEAM AGAIN

Union Pacific's No. 8444 will pick up the High Iron train in Salt Lake City on May 10 and haul it as far as Ogden. There, buses will be used to complete the pilgrimage to Promontory.

On the return trip, No. 8444 will be utilized between Ogden and Salt Lake City. The Union Pacific's Centennial-class diesel-electric will pull the special back to Kansas City, where the High Iron train will be rejoined to No. 759. Steam power will be used as far as Baltimore, and then another Penn Central electric locomotive will haul the train into Pennsylvania Station in New York on May 18.

No Pullman facilities will be provided, but hotel accommodations and transfers are included in the fare of $995. Overnight stops westbound are planned in Buffalo, Cleveland, Decatur (Ill.), Kansas City and Denver. Eastbound, the stops will be in Rawlins

(Wyo.), Denver, Kansas City, St. Louis, Lima (Ohio), Pittsburgh and Hagerstown (Md.).

MEALS WILL BE EXTRA

Meals are not covered by the fare, but passengers will be treated to two banquets—one in Salt Lake, where a two-day layover is scheduled, and the other on the last night of the trip. Also included in the price are grandstand seats for the ceremonies in Promontory and snacks and cocktails aboard the train. In addition, each passenger is promised a reclining seat by a window.

Cooperating with the High Iron Company are the Penn Central, the Norfolk & Western, the Union Pacific, the Western Maryland, the Chesapeake & Ohio-Baltimore & Ohio, the Golden Spike Centennial Celebration Commission and the Association of American Railroads.

OTHER EXCURSIONS

Excursions are also scheduled from Chicago, Los Angeles and San Francisco, but these trips will be diesel-powered. The Illini Railroad Club, P.O. Box 62, Champaign, Ill. 61820, has announced plans for a special train to depart from Chicago on May 8. The coach price for the escorted package tour, which includes meals and hotel accommodations, is $240. Pullman fares start at $280.

Sponsors of the trip from Los Angeles are the Orange Empire Trolley Museum and the Pacific Railroad Society, Inc. A 21-car, all-Pullman Gold Spike Centennial Special, with a capacity for 350 passengers, is scheduled to leave Los Angeles at 8 P.M. on May 8. It will use Southern Pacific tracks north to Sacramento and east to Ogden; the train will return over Union Pacific tracks by way of Las Vegas, arriving in Los Angeles at 6:30 P.M. on May 11.

The round-trip fare, including meals, grandstand seats and a banquet in Ogden, is $195. More information can be obtained from E. J. Von Nordeck, P.O. Box 146, Perris, Calif. 92370.

Two excursions from San Francisco, one called the Golden Spike Special and the other the Centennial Plaque Special, are planned by the Pacific Coast chapter of the Railway & Locomotive Historical Society, Inc. The Golden Spike Special will carry coach and Pullman cars; it will depart on the morning of May 9 and return on May 12.

ALL-INCLUSIVE FARE

Details are still being worked out, but the round-trip coach fare is expected to be $150, and Pullman accommodations are expected to begin at $195. Included in the price are meals aboard the train, transfers, grandstand seats, a box lunch, a ride behind No. 8444 between Salt Lake City and Ogden, a banquet in Ogden, commemorative medals, a badge and a copy of the book "Iron Horses to Promontory," by Gerald Best.

More information on this trip can be obtained from Arthur Lloyd, 974 Pleasant Hill Road, Redwood City, Calif. 94061. Capacity will be limited to 375 passengers.

The Centennial Plaque Special, which will precede the Golden Spike Special by about 15 minutes, will run only as far as Truckee, Calif. It will stop en route to allow passengers to participate in ceremonies and plaque dedications at various communities, such as Rocklin, Newcastle, Auburn and Colfax, which owe much of their existence to construction of the former Central Pacific line across the Sierra Nevada. The Plaque Special will return to the Bay Area later in the day on May 9.

The round-trip fare from San Francisco is set at $17.50; from Sacramento, $11.50. Tickets for this one-day excursion can be obtained from Don Thrall, 610 Arlington Avenue, Berkeley, Calif. 94707, or from R. A. Miller, Southern Pacific Company, 11th and L Building, Sacramento, Calif. 95814.

PRIVATE CARS JOINING IN

A number of private railroad cars are expected to arrive in Ogden and Salt Lake City in time for their owners and their owners' guests to attend the centennial events in Promontory on May 10. Arrangements to accommodate eight such cars in Ogden have already been made.

Travelers from the Omaha area interested in attending the Promontory ceremonies are being advised by the Union Pacific to reserve space on the line's regular passenger trains, since no special service is being originated in Nebraska.

Throughout the West, various communities are planning observances. Parades are scheduled in San Francisco on May 3 and in Sacramento on May 8. Three days of celebrating, reminiscent of the three days of spontaneous merrymaking that erupted in 1869, are scheduled in Sacramento, and luncheons, art exhibits, banquets and balls are planned in both Sacramento and San Francisco during the week preceding the anniversary.

In Sacramento on May 10, ceremonies will be held at the first headquarters of the Central Pacific Railroad. Torn down to make way for a freeway, the structure is being restored. It was originally the Huntington & Hopkins Hardware Store, the second story of which was turned into C. P. offices.

BIG FOUR BUILDING

Later, the store became known as the Big Four Building, so named for the four men who were instrumental in pushing the western segment of the transcontinental rail line: Leland Stanford, C. P. Huntington, Mark Hopkins and Charles Crocker.

Centennial visitors to Utah are expected to have an opportunity to view a museum train touring the lines of the Union Pacific. It will carry a vintage locomotive and tender, a period-piece passenger car and baggage cars mounted aboard several flat cars. Several modern display cars containing maps, photographs, rail-building tools and other artifacts are to be included.

MILITARY EXHIBIT PLANNED

Another train due for display in Salt Lake City and Ogden during and after the May 10 celebration is to be made up of military equipment furnished by the Army.

A number of other Golden Spike Centennial events, among them musical programs and art exhibits, are planned in Utah from May 6 through Sept. 15. In charge of coordinating the events is Nathan H. Mazer, executive director, field operations, Golden Spike Centennial Celebration Commission. Offices are in the Federal Building in Ogden.

Tickets for the steam excursion between Salt Lake City and Ogden can be obtained from J. G. Seegmiller, district passenger and ticket agent, Union Pacific Railroad Company, 417 South Main Street, Salt Lake City, Utah 84111.

HISTORIC SITE RESTORED

At Promontory, where rails were removed for steel scrap at the start of World War II, National Park Service historians, working with officials of Box Elder County and the State of Utah, have done everything possible to restore the site of the rail link-up to the scene shown in 1869 photographs. A mile-long section of hand-hewn ties, similar to the sort floated down the Green River to construction camps, has been installed on the old roadbed. Also, lightweight rails have been relaid on the former Central Pacific and Union Pacific routes hacked out a century ago by sweating Chinese laborers, Irish immigrants and Civil War veterans.

Near replicas of the long-scrapped Jupiter and No. 119 locomotives that met in Promontory in 1869 will touch pilots (cow-catchers) on the restored trackage adjacent to the visitor center. And on May 10, the original golden spike will once again be tamped into a laurel tie while an old-type telegraph key, linked to a restored line, chatters out news of the spike-driving re-enactment, just as the new-fangled telegraph did when the West was won.—J.G.

THE LATIN AMERICAN CHALLENGE

Mr. CHURCH. Mr. President, the Washington Post has just concluded a very interesting five part series of articles written by John M. Goshko, its Latin American correspondent on U.S. business in Latin America. I ask unanimous consent that they may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, U.S. investment in Latin America amounts to $10 billion. It produces a significant percentage of Latin American foreign exchange earnings and tax revenues, as well as employment. It runs the gamut from petroleum and mining through manufacturing and retail sales.

It finds itself in a climate of increasing nationalism which frequently has anti-American overtones. At the same time, American business operates under the handicap of a public image inherited from the earlier days of dollar diplomacy.

Most American business firms in Latin America, especially the larger ones, have long since abandoned the practices of this earlier era and are now concerned with improving their public relations and with being good citizens of the country where they operate.

One of their most difficult current problems stems simply from their size in the aggregate. Many Latin Americans feel that the control of their own economies is inextricably slipping away from them into the hands of foreigners. This is much the same reaction which J. J. Servan-Schreiber described so well with respect to Europe in his book "The American Challenge."

One way to meet this problem, as Mr. Goshko points out, is through the greater use of joint ventures—that is, partnership arrangements between American and foreign business. These joint ventures have the advantage of giving U.S. business in Latin America a local coloration by identifying it with local interests.

The author also suggests an expanded program of U.S. Government guarantees of investments in Latin America.

All in all, Mr. Goshko and the Washington Post have performed a public service in calling these matters to our attention, and I commend the articles to the Senate.

EXHIBIT 1

PART I—THE LATIN AMERICAN CHALLENGE: NEW NATIONALISM HITS U.S. INVESTMENTS

(By John M. Goshko)

BUENOS AIRES.—French Journalist Jean Jacques Servan-Schreiber, addressing Europeans in his book, "The American Challenge," wrote that "the power, the speed, the pervasive nature of American investment are a warning and a challenge to us. What kind of future do we want?"

He predicted that the third greatest industrial power soon might be "not Europe but *American Industry in Europe*.

Now, like fallout from a nuclear explosion, Servan-Schreiber's warning has drifted across the Atlantic to Latin America, where U.S. business casts perhaps its longest shadow.

Direct private U.S. investment is estimated at more than $10 billion. That is less than in Canada or in Europe, but Latin America is underdeveloped—with little home-grown industry. On this limited economic landscape, U.S. business looms large.

U.S. business directly employs almost 2 million Latin-Americans, and there is no estimating the number indirectly dependent on this investment. It accounts for 10 per cent of the total output of goods in Latin America and pays one-fifth of all taxes.

American business produces a third of all Latin-American exports. In countries like Chile or Venezuela, dependent on mining activity requiring a high degree, the basic means of national livelihood is controlled by firms owned in whole or in part by U.S. investors.

Even where this is not the case, the American presence intrudes prominently on the business scene.

For example, the largest country, Brazil, earns its living from such agricultural products as coffee, and the agricultural sector of the economy is almost entirely in the hands of Brazilian citizens.

However, in recent years, Brazil has built up a sizable industrial base that produces for internal consumption, and here the picture is considerably different. Of the 30 largest companies in Brazil, six are controlled outright by Americans (Ford, General Motors, General Electric, Union-Carbide, Firestone, Anderson Clayton).

Thus, it is that "The American Challenge" is probably the most widely read and talked about book in Latin America today. In Servan-Schreibers warnings about the impending decline of Europe as an independent economic form many think they see the story of what has already happened to Latin America.

In some countries, if a man is of the upper or middle class, the corn flakes he eats for breakfast and the refrigerator from which he takes the milk were made by American firms. Afterward, he is apt to drive to work in a car manufactured or assembled in an American-owned plant.

Along the way, he may drop his wife at an American supermarket. In the evening, they will probably relax in front of an American-made television set or go to see an American film released by an American distributor.

The worker in manufacturing, mining, or the growing of commodities like bananas or sugar, frequently will have an American employer. He may even live in a house and send his children to schools provided by that employer.

Whatever the worker grows or refines at some stage it will pass through a machine or process invented by American technology and brought in by American business. If the product is exportable, the chances are that its ultimate sale will take place in the U.S. market.

OVERALL, AN IMPACT

All this activity has had an impact fully as important as the influence of such powerful home-grown institutions as the military and the Church.

On the surface, at least, that impact looks like an unrelieved plus.

Wherever American investment is at work, the results usually can be measured in terms of a higher gross national product and increased prosperity for formerly depressed communities. It has meant better wages, working conditions, fringe benefits and social mobility for thousands who would otherwise face bleakest poverty.

At the same time, the onslaught of U.S. investment has played a big part in producing the political and social ferment that is the story of modern Latin America. Frank Tannenbaum, the dean of U.S. scholars specializing in Latin America, points out that much of this ferment is directly caused by the "consumer revolution propelled by the United States" which has done much to make Latin Americans dissatisfied with the existing order.

"Americans," Tannenbaum says, "are unaware of their role as the gravediggers of class-ridden and stratified societies. They are merely selling toothpaste, fountain pens, and modern plumbing. In fact, however, they are undermining the stratified society characteristic of Latin America."

Ironically, U.S. business now is the target of the ferment that it helped to create, and it may thus soon face the most serious threat since Fidel Castro expropriated the sizable private U.S. interests in Cuba.

In part, this is because the American business community here has been identified in Latin eyes with the most intractable elements of the "stratified society." Foreign investment is thought of as part of the old order, and is vulnerable to attack from those who would end the old ways.

NEW NATIONALISM

In addition, in recent months Latin America has been subjected to a strong new tide of nationalism that looks with hostility on all foreign influences. It is a nationalism that finds many elements on the political right—long regarded as the staunch ally of foreign investment—joining forces with the left to shout that outside business interests must be curtailed or even expelled.

Last October, for example, a nationalistic outcry against the status of a U.S.-owned oil company in Peru triggered a military coup, the nationalization of the company and a severe crisis in U.S.-Peruvian relations.

In the face of this hostility, U.S. companies are increasingly reluctant to make new investments. David Rockefeller, board chairman of the Chase Manhattan Bank, sums up the feeling of investors: "People don't want to invest their money if their property may be taken away from them, even if they get their money back."

Latin America, in turn, is now finding it harder to compete with other areas in attracting foreign investment. Over the last five years, the net inflow of new U.S. investment to Latin America has remained relatively stable, while in such areas as Europe and Canada there have been large annual increases.

These are the cross-currents that preoccupy Latin American leaders as they ponder the question posed by Servan-Schreiber: "What kind of future do we want?"

Is Latin America to continue as an underdeveloped area producing raw materials for industrial nations? Or can it break the restraints of underdevelopment and become a modern industrial consumer society like the United States and Europe?

Does progress imply an even greater abandonment of the Latin business sphere to American firms with the money and technology to create new industries? Would it be better to make a clean break—to cast out not only foreign investment but also the region's traditional capitalist structure and go it alone with new forms of statist control over the economy?

Or does the solution lie in some middle group? Can American business be brought into new forms of partnership with both private and public Latin American capital—partnerships in which the Latins would eventually become the principals and reassert control over their own economic destinies?

There are the elements of the debate in a region groping for both modernity and an independent identity.

Those who remain confident that foreign investment can not only survive but can actually expand its role, base their thinking on many factors—not the least of them being the change of administrations in Washington.

The shift from the Democrats to the Republicans, it is argued, provides a convenient time to reexamine the Alliance for Progress. Until now, the Alliance has given almost exclusive emphasis to development through governmental action, and U.S. assistance has concentrated on government-to-government lending.

ALLIANCE FOR PROGRESS

Recently, however, there has been a growing conviction on all sides that the Alliance is failing to do the job for which it was conceived. The U.S. Congress last year showed its disenchantment by slashing U.S. Alliance contributions.

Now, the United States has a Republican President who is not expected to be as willing as his Democratic predecessors to go to the mat with Congress over foreign aid appropriations. As a result, it seems unlikely that U.S. Alliance contributions will again reach the $1-billion-a-year level.

During his campaign, President Nixon spoke of the need for "new approaches" to the Alliance, and many students of the aid problem are now suggesting that these approaches should follow the same lines proposed by Mr. Nixon for the solution of domestic problems—turning a big share of the burden over to private business.

To many people, including most Latin government leaders who have been in the forefront of fighting to affect Alliance or Progress reforms, this has some alarming implications. They hear that increased emphasis on business investment gradually would become a substitute for government-to-government lending and an excuse for the United States to make less and less of a direct foreign aid contribution to Latin America.

It is true that many U.S. business leaders take the simplistic view that private enterprise alone can solve the problems of Latin development and that large-scale foreign aid is not needed. But there are others who, while continuing to believe that first emphasis should remain on governmental aid, also see an urgent new role for private investment.

Because of disenchantment with the Vietnam war and other factors, they contend, the United States is going through an internal reappraisal of its foreign commitments. The increasing hostility within the U.S. Congress to foreign aid is only one symptom.

However, they point out, world events will not stand still while the United States completes the process of redefining foreign policy goals, deciding where it will put its future priorities and where it will make some measure of disengagement. During the interim, it is necessary to erect temporary structures that will provide some element of continuity and allow a transition to whatever new directions emerge in U.S. foreign policy.

Where the problems of third-world development are concerned, private U.S. foreign investment would seem to lend itself to use as such a temporary structure. By accelerating its tempo and changing some of its emphasis, it could keep alive the spark of development in underdeveloped areas while the United States gropes toward new approaches to foreign aid.

Among the world's underdeveloped areas, it is Latin America where U.S. business has its most sizable commitment. Therefore, according to this argument, it is in Latin America where the idea of foreign investment as a temporary—or even permanent—solution to development problems can best be tested.

Such a proposal turns on premises that Latin America's problems are mainly due to a lack of capital, and that development of the region would be hastened if there were more local and U.S. private investment.

This argument can be faulted on the grounds that it tends to concentrate on economic considerations and slights the need for reform of outmoded political and social institutions.

The importance of capital is denied. Castro lectures on the error of "geographic fatalism" that had tied Cuba's economy to the United States. But Castro, too, needs capital, and has simply traded the U.S. source for the Soviet.

Yet, even when it is concluded that Latin America has a critical need for capital, the problem remains of how to attract it at a time when the tendency of potential investors is to shy away from the area.

In the past, this problem was overcome in one of two ways: by offering a profit return so high that investors were willing to take the risk of going into an unstable situation, or by creating what businessmen like to call a "favorable investment climate"—often a euphemism for a business-oriented, right-wing dictatorship.

The first answer represents one of the chief reasons why so many Latins regard foreign firms as exploiters. The second runs counter to the Alliance for Progress goal of fostering democratic, equitable governments.

It is because business relied so heavily on such inducements and safeguards in the past that the current wave of Latin nationalism finds so many converts.

RISK VERSUS REFORM

The problem then becomes one of finding a way to overcome the high risk of investing in Latin America and still allow the Latins to engage in political and social reform. Those who believe in the need for increased foreign investment advocate changing the focus of U.S. foreign aid to provide subsidies, incentives and safeguards to American capital.

Among suggested measures are eliminating the tax on repatriated earnings from investments in Latin America, tax credits on initial investments, and insurance to protect investors against expropriation and other forms of political penalty. Without such measures, businessmen and government ofcials often agree, there is no hope for any substantial increase of private U.S. investment in Latin America within the foreseeable future.

Peter T. Jones, who dealt with Latin-American problems as a Commerce Department official under Presidents Kennedy and Johnson and who now works for International Telephone and Telegraph as a vice president of its Latin-American division, states the argument this way:

"The problem of introducing jobs and progress into a poverty-stricken area like the Northeast of Brazil is the same as the problem we have at home in Appalachia. There's no reason why business should want to go in there unless you give it special incentives. Either you subsidize it, or it just doesn't grow."

Jones and others who advocate more emphasis on private enterprise within the foreign aid program call for vigilance against a return to the laissez-faire days before the Alliance when benefits went largely into the pockets of a small group of businessmen and their cohorts in government.

To prevent this, they say, any private business subsidies and incentives built into the aid program should concentrate on investments that would be clearly beneficial to large numbers of Latin Americans. In this category, they advocate a priority status for "joint venture" investments that would give local Latin capital the chance to get in on the action by associating with U.S. financial and technological resources.

In the view of most Latin American businessmen and economic analysis, joint ventures represent the key to whether foreign investment will continue to be an important force in Latin America.

They warn that unless indigenous Latin capital is allowed to have a share of the region's future economic development—indeed, eventually to control this development—foreign investors will find themselves increasingly threatened by the nationalistic argument that they represent an alien, exploitative force.

To prevent this, they say, any private business subsidies and incentives built into the aid program should concentrate on investments that would be clearly beneficial to large numbers of Latin Americans. In this category, they advocate a priority status for so-called "joint venture" investments that would give local Latin capital the chance to get in on the action by associating with U.S. financial and technological resources.

In addition, they add, incentives are needed for investments that will create jobs, promote the tourism and exports on which Latin America relies for foreign exchange, modernize backward technology, and help bring private enterprise into a bigger role in community and national development.

This is a tall order, and even the most enthusiastic partisans of the idea do not pretend that private enterprise on its own will be able to complete the development process.

PUBLIC SECTOR

Most concede that continued large-scale governmental planning and spending will be necessary to cover many areas that business investment cannot reach. This means that the aid program, however it is changed, would still have to provide long-term development loans on a government-to-government basis.

There is also the need to expand Latin America's foreign trade opportunities—a need which many Latin leaders consider even more important than increased investment.

In short, almost everyone agrees that no matter how much capital is supplied or saved through increased foreign investment, additional hard currency obtained through trade and aid would be needed to sustain a satisfactory rate of growth.

Advocates of government incentives to spur investment also point out that Latin America is a good place to test the idea because it is the least underdeveloped of the world's emerging areas. Since Latin America already has the beginnings of a substantial industrial base, it can benefit readily from a shift in emphasis from public to private development.

If the idea worked in Latin America, the experience gained could be applied to Africa, Southeast Asia and the Middle East.

But would the Nixon Administration regard the incentive approach as worthy of being included in its foreign-aid proposals, and would Congress, in turn, be willing to appropriate the needed money and sacrifice the tax revenues? And could enough private investors even then be found to give the idea a real test?

Would American business find the inducements attractive enough? Would it be willing to change its traditional methods of operation and combat Latin hostilities by engaging in more joint ventures and more involvement in the non-business activities of the Latin community?

And, perhaps most important, what would be the reaction of the Latin American governments and peoples to such an initiative by the American business community? Would they see the advantages of working with foreign investment on a new, more equitable basis?

Or have the appeals of nationalism and statist-oriented ideas already made such inroads that the proposed changes in investment emphasis are doomed?

These questions will be answered only when the Latin Americans decide how to answer Servan-Schreiber's question, "What kind of future do we want?"

All that is certain today is that the nature of foreign investment in Latin America will have changed drastically a decade from now.

PART II—THE LATIN AMERICAN CHALLENGE: U.S. COMPANIES STRIVE FOR NEW IMAGE

(By John M. Goshko)

BUENOS AIRES.—From the time of Córtes and his gold-seeking Spanish conquistadores, no subject has aroused greater bitterness in Latin America than "economic exploitation."

Today, this bitterness is directed against the group that many Latins regard as the modern equivalent of freebooters like Córtes the foreign investors who have been prominent since the 19th Century wars of liberation.

To help pay for these wars, leaders like Simon Bolivar granted concessions to foreigners for the extraction of mineral wealth. After independence, the new nations, lacking money and technical expertise, continued to abdicate development of resources to investment capital from abroad.

After 150 years of seeing what Latins regard as their patrimony in pawn, they have become increasingly frustrated. Inevitably, this emotion focuses on the vast U.S. business investment—a $10-billion stake that represents roughly one-third of all the foreign capital in the area.

David Rockefeller, chairman of the Chase Manhattan Bank and of the U.S. business-sponsored Council for Latin America, summarizes the case made against private U.S. interests by their enemies in Latin America:

"North American capitalists, they say, are out to exploit resources and markets to the detriment of the host nations; the capitalists want to keep the people in poverty so they can take over their minerals and metals; they are obsessed with excessive profits and have no concern for the land or its inhabitants."

Rockefeller dismisses the charges as "largely without foundation." Still, there is no question that allegations of economic exploitation lie at the root of almost every grievance that Latin Americans have against the United States.

Even the Brazilian economist, Roberto Campos—a man so thoroughly pro-American that his countrymen call him "Bobby Fields" after the English translation of his name—cites the "overwhelming influence exercised by American private interests" as the chief cause of Latin America's "reactive tensions." History offers evidence of at least some truth in the Latin indictment.

In the old days of "dollar diplomacy," the United States frequently sent troops to protect American investments. More recently, business pressures have prompted the White House and the State Department to drop up reactionary governments because of fear that social reform would prejudice investments.

Yet, even after allowance is made for all these justifiable complaints, U.S. business in Latin America is not nearly so exploitative or monolithic as many critics contend.

In recent years, it often has been a generous employer, honest taxpayer and all-around good citizen. It even has started learning how to live with the new breed of social reformers and central planners in many Latin governments—although it still regards them uneasily and feels more comfortable with traditional right-wing regimes such as those in Argentina and Brazil.

NEW INTERESTS

It also has expanded into many economic vacuums created by a continuing shortage of home-grown capital and technology. This has brought in modern methods, stimulated local industry, given work to thousands, helped train a technical and managerial class, improved living standards for the small consumer and contributed to the beginnings of a modern industrial plant.

It has failed to make these accomplishments understood or appreciated by the great mass of Latin Americans. As David Rockefeller and other corporation executives readily admit, the U.S. business community suffers from an image problem rooted in its past excesses.

These excesses are part of a story that began a century ago with such unregenerate adventures as Henry Meiggs, the "Yankee Pizzarro" who parlayed his skill at building railroads across the Andes into a financial empire founded on corruption and intrigue. In his time, Meiggs virtually owned every leading politician in Peru from the president on down and maintained what was almost a private harem of wives and daughters of Lima's leading families.

Meiggs eventually died broke and discredited, but others built more enduring monuments to ambition and business acumen.

GRACE'S BEGINNINGS

Also in Peru at that time was a young Irish immigrant ship's chandler, William Russel Grace, who quickly spotted the possibilities of chartering and servicing ships engaged in the guano fertilizer trade. From this modest enterprise, its headquarters later transferred to New York, grew what are today the many-faceted, world-wide activities of W. R. Grace and Co.

And there was Henry Meiggs's nephew, Minor Cooper Keith, who in Costa Rica forged the first rails across the Central American isthmus. Seeing that his railroad could not prosper without freight, Keith began bidding for control of the "green and gold empire," the then infant banana trade.

Acquiring lands the size of Rhode Island, Keith embarked on a bitter, 30-year war with rivals. By 1889, most competitors were ready to consolidate. The result was the United Fruit Company—the organization that more than any other would symbolize the U.S. business presence in Latin America during the first decades of this century.

From the company's board rooms in Boston, Keith, together with such associates and successors as Andrew Preston and Samuel ("Sam the Banana Man") Zemurry, exercised a hegemony greater than any government over vast areas around the Carribbean. Keith was known as "the uncrowned king of Central America."

The atmosphere created by United Fruit in its domains was that of a gigantic company store. Thousands of farmers were coerced into selling bananas exclusively to United Fruit at prices set by the company; hired thugs enforced cooperation and Latin governments either pocketed "subsidies" and looked the other way or they didn't last very long.

COUP FOR SALE

Toward the end of his life, Zemurry, who openly admitted having "bought" one coup in Honduras, told an interviewer that he had done many things in the early years of the company that he didn't like to think about "in the dark hours of the night."

Because these things were done with the tacit approval of successive administrations in Washington, the impression grew that the United States promoted dictatorships to further the aims of United Fruit. This cry was heard as recently as 1954, when the CIA incited right-wing military elements in Guatemala to overthrow a popular but leftist government.

Actually, the 1954 incident was prompted mainly by Cold War fears of a potential Communist takeover. However, one of Washington's conditions for aiding the coup leaders was a promise to eliminate a land reform program that had offended United Fruit; a former United Fruit executive acted as an intermediary between the CIA and the rebel military officers.

SEEKS BETTER IMAGE

United Fruit, which remains an important force in the economies of the banana-growing countries, has tried hard in recent years to project a more progressive image. But among Latin Americans, who have long memories, the effort has largely been unavailing.

In Mexico last year, for example, the news that United Fruit was planning to buy a well-known local grocery chain touched off a full-scale furor including a congressional debate about why the government was allowing the company into the country. And in Ecuador, the taint of association with United Fruit once played a big part in destroying the presidential ambitions of Galo Plaza Lasso, now secretary general of the Organization of American States.

Plaza, who had been president in the late 1940s and who is generally regarded by outside observers as the outstanding Ecuadorian leader of this century, ran for a second term in 1960. But he had written a book that praised United Fruit for housing and educational benefits provided its plantation workers.

During the campaign, his opponents attacked him for "selling out." He ran a poor third.

As United Fruit was establishing its hold over the banana trade, other American firms were making their presence felt.

VENEZUELAN OIL

The discovery of oil in Venezuela quickly brought that country's economy under the control of such organizations as Gulf, Royal Dutch Shell (a European firm) and, most prominent of all, the Creole Petroleum Corp.—a Standard Oil of New Jersey subsidiary that is said by industry sources to be the largest and probably the most profitable petroleum-producing company in the world.

Kennecott, Anaconda and Cerro de Pasco were digging copper and other minerals out of Chile and Peru. International Telephone and Telegraph was controlling telephone and cable facilities, and in the power utility field, the dominant names were those like American and Foreign Power Corp.

This concentration formed the basis of present-day Latin American resentments toward U.S. investment. Yet, although about 60 per cent of the total U.S. investment is still in these fields, the main thrust of American business here has been changing radically.

Over the past two decades, American investment has been going through a second-stage development—one powered by rising demand for American-style consumer goods. With orders for their products increasing, more firms established subsidiary manufacturing facilities in the area.

NEW INVESTORS

The names that intruded most prominently became General Motors, Ford and Chrysler in automobiles, Merck and Parke Davis in drugs, General Electric and Westinghouse in electronics, Goodrich and Firestone in rubber products, Sears Roebuck in retailing.

It was an expansion that touched all but the tiniest Latin countries. In Mexico, Brazil and Argentina it laid the foundations for a large national industrial base.

The depth of the new U.S. involvement is evidenced by the fact that since World War II, direct U.S. investments soared from less than $3 billion to the present $10 billion—almost one-fourth of total U.S. investments abroad.

At the end of 1967 (the last year for which complete figures are available) the largest share of American investment was in Venezuela, with $2.5 billion. Of this, $1.8 billion was in the petroleum industry. Since Venezuela is not expected to renew the concessions of foreign oil companies when they run out during the next decade, the present U.S. stake in Venezuela appears to have hit its peak.

In fact, U.S. investment in Venezuela actually showed a small decline between 1966 and 1967. Unless the current stake in petroleum is replaced by other types of investment, this trend can accelerate rapidly in the years ahead.

MANUFACTURERS IN MEXICO

In contrast is Mexico, where U.S. investment is put at $1.34 billion, the second highest total. Mexico had relatively little U.S. investment at the end of World War II. The once-large American holdings in basic industries were expropriated or expelled during the 1920s and 30s.

In the post-war period, though, Mexico has been the most successful of all Latin countries in attracting American capital to consumer manufacturing activities. The outlook there is for U.S. firms to continue putting in money.

The same is true of the countries in third and fourth place, Brazil with $1.32 billion and Argentina with $1 billion. The big upsurge of American investment there has come within the last decade and has been concentrated almost exclusively on manufacturing.

Even some of the old-line American firms have started to move in this direction. ITT, for example, has gradually been disengaging from telephone operators to concentrate on service activities like hotels.

SOME ENCOURAGEMENT

In contrast to the hostility directed against the mining, petroleum and utilities companies, this new wave of investment is one that sophisticated Latin Americans are generally inclined to encourage.

They have read "The American Challenge," Jean-Jacques Servan-Schreiber's analysis of the impact of American investment in Europe, and they have perceived its applications: to become a modern industrial region, Latin America must rely on the Americans, in the short run at least, to supply the capital and teach the management and technological methods that it cannot generate from its own resources.

They regard this as especially urgent because Latin America's decade-old boom in manufacturing is fast approaching its outer limits. Concentrated on the production of import substitute consumer goods that exist behind tariff protection, industry is getting close to saturating available markets.

To grow further, either its consumer market must be broadened—through creation of the long-stalled Latin common market and incorporation of population now outside the money economy—or the changeover must be made to manufactured goods that can compete as exports to world markets. Eventually, this would presuppose an attempt to shift the industrial base toward manufacturers employing the raw materials produced in Latin America.

But that involves industrial activity far more sophisticated than the current import-substitute industries. So far though, U.S. business—the only force really capable of leading Latin industry to this next stage—has been unwilling to invest the necessary money and technology.

ANTI-BUSINESS FEELING

One of the most compelling reasons, from the potential investor's point of view, is the increasing anti-business feeling.

To be sure, all but the most doctrinaire of the Latin leaders make clear distinctions between what they regard as "good" and "bad" investment—between what it is politically expedient to say they want to get rid of (the old-line extractive investments) and what it is economically imperative to woo (new-style manufacturing ventures).

Such distinctions frequently get blurred in an emotional atmosphere. When the Latin masses constantly have it dinned into their ears that a particular American company is bad, they are unable to understand why the indictment does not extend to all American firms.

The military regime in Peru expropriated a large American oil company while trying to explain that this was a special case—and that it really was anxious to have other kinds of American investment come in.

INVESTORS DISCOURAGED

What it got instead was a climate of mutual recrimination, threatened reprisals and a fanning of public sentiment against "imperialist exploiters" that currently is discouraging potential investors in Peru. Yet, Peru needs new investment if it is to shake out of the fiscal depression of the past two years.

As David Rockefeller says, "One of the most formidable barriers to private investment abroad, in my judgment, is the barrier existing in the minds and emotions of those who need foreign investment most."

This barrier was built by the greed and excesses of American business. But what keeps it high and forbidding today is the failure of Latin Americans to realize that many old prejudices are no longer valid.

PART III—THE LATIN CHALLENGE: PERU GAINS WIDE SYMPATHY IN U.S. OIL DISPUTE

(By John M. Goshko)

BUENOS AIRES.—On April 4, President Nixon may be forced to make a decision that could determine the course of U.S. relations with Latin America for years to come.

At issue is the expropriation of an American-owned oil company by the military regime that seized power in Peru last October. And what Mr. Nixon must decide is whether to invoke against Peru certain financial sanctions prescribed by U.S. law.

That decision will touch every aspect of U.S. interests in Latin America. But none will be affected more than the $10 billion of direct private investment held by U.S. corporations in Latin America.

In Peru alone, sanctions undoubtedly will bring retaliation by the government against the substantial and varied private U.S. interests remaining there. Peruvian officials have considered courses ranging from a ban on the remittance of profits to the United States to further expropriations.

REACTION EXPECTED

Invoking of U.S. sanctions is certain to touch off wide-spread sympathy for Peru elsewhere in Latin America and fan the economic nationalism crackling through the continent.

Since U.S. investments represent more than a third of the foreign capital in the area, they have been the favorite target of this nationalism. Peru's expropriation of the oil company is only the most dramatic of the many recent incidents.

After almost a century of entrusting outside interests with the development of their petroleum resources, several other Latin countries have joined Peru in shouting, "The oil is ours."

In Bolivia, there has been rising demand for expropriation of the concessions held by Gulf Oil Corp. In Brazil, the president recently vetoed a decree permitting foreign firms to explore in competition with the state-owned company, Petrobras.

On Jan. 2, Peru decreed that all banks must be at least 75 per cent owned by nationals within a year. Two weeks later, Argentina took similar steps to curb foreign bank expansion.

HOME-OWNED PHONES

In international telecommunications, Argentina, Brazil, Chile, Peru, Panama and Mexico have frozen private companies out of plans for satellite earth stations. In most cases a government monopoly will be established over international cable services that have been run by private firms like International Telephone and Telegraph.

Such broad-gauge attacks on foreign investment are hardly new in Latin America. They stem from deep-seated resentment of control exercised by outside interests.

During the past two decades, this indignation has been boiling over with increasing frequency. Many observers foresee the virtual elimination of foreign holdings in most Latin basic industries by the end of the century. In almost every case, they will be replaced by government ownership.

TRANSITION TREND

Most electrical power services and internal telephone and telegraph facilities already have made the transition—usually with disastrous results in service and efficiency. Now the trend is the same on other basic industries, particularly petroleum.

Looked at in strictly economic terms, a good case can be made that such nationalism does a disservice to Latin hopes for development. As Servan-Schreiber points out in "The American Challenge":

"To nationalize U.S. industries in response to increased American investment is a typical reaction of an underdeveloped country and ignores the real nature of the problem. Even if the newly nationalized firm managed to keep American-developed techniques, it would nevertheless be cut off from the flow of creatives from the parent company" . . .

"Governments which committed such acts of folly would have to close their frontiers to shut out scientific advances made elsewhere. Nationalization may be tempting, for it spares us the effort of thinking and seems to offer an easy answer. But it is a weapon that would only work against our own development."

STATE OIL MONOPOLIES

Nothing would appear to prove his contention more pointedly than the record of Latin American state-owned monopolies in petroleum, for example. Although such state companies have been a great source of pride, their economic performance has been one of almost total inefficiency.

Mexico's nationalization of the oil industry in 1938 provided the basis for the first important Latin oil monopoly, Pemex. After 30 years, however, Pemex has been a consistent money loser, riddled with graft and political patronage. It is quietly importing oil from Venezuela to meet domestic demand.

Argentina, whose state monopoly has never been able to get a drop of oil out of the ground, brought in American companies in the late 1950s. Within a year, the country not only was self-sufficient in many types of fuel oil but was exporting.

Yet the nationalistic outcry of "sell-out" was so great that in 1963 President Arturo Illia summarily threw out all foreign firms. Two years later, with production entirely in the hands of the state's YPF company, Argentina was importing $100 million worth of petroleum annually to meet domestic needs as well as incurring huge operating losses.

LED TO COUP

The failure of his oil policy was one of the factors prompting the military coup that overthrew Illia in 1966. Argentina's current military regime has moved against the trend in neighboring Latin countries and has invited the foreign companies back in hopes of again making the country self-sufficient in petroleum.

Current Latin nationalism is of such an intensity that many foreign businessmen are frankly fearful about its long-range implications. Most sophisticated investors long ago were reconciled to the fact that Latin Americans intend to reassert control over basic industries; and as a result, the main thrust of recent U.S. investment here has been directed toward activities like manufacturing, retailing and service.

These are the fields in which many Latins say they need and welcome foreign capital. Now, however, there is fear that the new economic nationalism—with mistrust of all things foreign and preoccupation with state ownership—will eventually extend to all areas of private enterprise.

This sentiment is no longer confined to the left of the political spectrum. The right, chief bulwark of the capitalist system in South America, has been moving toward an identification with nationalist aspirations and statist ideas.

The trend is apparent in such formerly monolithic guardians of the status quo as the Catholic Church, the entrepreneurial class and the officer corps of the powerful Latin armed forces. For the most part, the change in the thinking of these key institutions is still a minority sentiment. But it is growing.

For example, the two countries of South America currently having the greatest success in attracting foreign investment are Argentina and Brazil. Both have military-backed governments whose policies aim at bringing about rapid national development and industrialization by pursuing laissez-faire economics favorable to big business and foreign investment.

However, in both countries, there is also increasing pressure from important groups in government, business and the armed forces that want a far greater government control over the economy.

PERUVIAN SHOWDOWN

Within the Peruvian armed forces—the stanch allies of foreign investors during past periods of military rule—this showdown already seems to have taken place. From the evidence of the regime's expropriation of the International Petroleum Co., the victory appears to have gone to the nationalists.

The growing consensus of right and left on nationalistic economics was vividly underscored by a four-hour meeting recently in Lima.

On one side were Gen. Miguel Angel Valdivia Morriveron, the Finance Minister, and his chief deputy. Both are men with reputations for coolness toward foreign capital and a belief in state control of basic resources.

On the other side were a number of Chilean intellectuals, some with ties to the Chilean Christian Democratic Party, which is regarded by many not only as the most important force on the Latin non-Marxist left but also as the antithesis of military government.

Yet, these seeming opposites discussed seriously the formation of an over-all statist-oriented oil policy for Peru. They also explored the possibility of state-owned oil and steel entities throughout Latin America that would combine forces to increase their leverage with regard to freight rates, supplies and services.

HISTORIC DEPENDENCE

The seductive appeal that such ideas hold for such widely disparate forces is traceable to the historic dependence of their respective economies on foreign investment. For a long time, the life blood of Chile, its vast copper deposits, were under the exclusive control of American mining companies; the same was true of Peru's more varied resources.

In Chile, the 1964 presidential campaign almost saw election of a Marxist candidate calling for nationalization of copper and virtually all other foreign holdings. The actual winner was the Christian Democrat, Eduardo Frei, who enjoyed the backing of the United States for his much more moderate stance.

Frei proposed "Chileanization" of copper—a process now being implemented that calls for the government to buy into partnership with the U.S. copper companies, which were also to make new investments. For the rest, Frei's official policy was to favor continued foreign investment.

However, Frei, whose term as President ends next year, has been losing control of

the Christian Democratic Party to its left-wing, avowedly statist, factions.

As a result, foreign investment in Chile outside the copper sphere has come almost to a standstill. Most firms already on the scene have shied away from expanding; and at least one, W. R. Grace and Co., long an important force in Chilean distribution and manufacturing activities, is liquidating most of its holdings.

In Peru, the seizure of International Petroleum was only the outward symbol of an atmosphere that foreign businessmen find increasingly worrisome.

On the day of the coup that ousted civilian President Fernando Belaunde Terry and brought Gen. Juan Velasco Alvarado to the presidency, every political party and all but one of Lima's newspapers roundly denounced the unconstitutional takeover. One week later, all of them—together with the rest of the nation—were loudly applauding the IPC expropriation.

Even before the coup, there were signs that Peru was preparing a radical break from its past hospitality toward foreign capital. The law restricting foreign holdings in Peruvian banks, put into effect by the Velasco regime, actually was the culmination of a move started prior to the coup by Belaunde's finance minister, Manuel Ulloa.

AMASSED FORTUNE

For most of his adult life, Ulloa has been identified with U.S. corporate and banking interest, amassing a personal fortune in the process. But he was planning to become a candidate in the presidential elections that would have taken place next November.

His reading of public opinion told him that attacks on American investors were good politics, and the banking law was the result. Also prior to the coup, Ulloa was preparing another openly nationalistic measure—one relating to the fishmeal industry—that the military government is expected to adopt.

Fishmeal, the country's largest single earner of foreign exchange, made Peru the world's front-ranking fishing nation and created a strong sense of national pride because it was built up primarily by Peruvian initiative and capital. Foreign investors also took part, but the major achievement was clearly Peruvian.

FISHMEAL DECLINE

With success, however, came over-expansion of fleet and factory capacity. Costs rose, increased competition came from other fishmeal-producing countries and from alternate kinds of animal feeds, and the industry two years ago went into severe recession.

The inevitable result was consolidation. Inefficient factories and fleets operated by under-capitalized companies began going under. These were almost always Peruvian-owned.

Foreign companies, often better financed and with more modern equipment, weathered the recession and began to control an increasing share of the industry. Some also were subsidiaries of parent companies that made large-scale use of fishmeal, and Peruvians began charging that the subsidiaries were trying to depress the world market price in order to benefit their parent companies.

At the time of the coup, the Peruvian congress, supported by important segments of the local business community, was considering legislation limiting foreign ownership of any fishmeal company to one-third of the equity.

The present U.S.-Peru collision course over the oil seizure has put the rest of the U.S. investment stake in Peru, estimated at about $600 million before the IPC seizure, in somewhat the same position as the U.S. business community in Cuba at the time of the 1959 revolution. What happened in Cuba—the eventual expropriation of all U.S. holdings—could now happen in Peru.

If the Peruvians, aided by the Soviets, were able beneficially to exert their independence of the United States, the example would be taken up by other countries' nationalists clamoring for a showdown with foreign investment.

PART IV—THE LATIN CHALLENGE: U.S. BUSINESSMEN TRY TO ADAPT TO NEW REALITIES

(By John M. Goshko)

BUENOS AIRES.—He is a familiar figure in the financial districts of every big Latin American city—his close-cropped hair, natural-shoulder suit and brisk step setting him apart from the Latins around him.

He works long hours, broken only by forced adoption of the local custom decreeing a two-hour-lunch. Efficient, tireless and frequently impatient with the slower Latin pace, he seems the perfect model of that American whom a European once described as "born to make transatlantic calls and jump aboard international jets."

At night, he goes home to an elegant house or apartment in a foreign colony suburb. There, he spends his leisure hours complaining about the plumbing, trading cocktail invitations with his neighbors and arranging the foursome for his weekend of golf.

He may be a plant manager, an engineer, a financial analyst, a sales manager. And he is in Latin America as the proconsul entrusted by the great North American corporations to oversee the $10 billion worth of private investment that they have put into the region.

To Latin Americans, he is the visible symbol of that massive U.S. economic presence. In the past, he usually seemed to them a remote figure walled off behind the suburban American enclaves he has created in their midst.

Now, half a century after he and others like him began arriving here in significant numbers, he is trying to change this image.

FACES THREAT

It is an effort born of necessity. With a strong new tide of nationalism sweeping through the region, U.S. business finds itself facing its greatest threat in a decade—one that poses dangers both for existing investments and for the future of U.S. interests in the Latin American marketplace.

As a result, there is great emphasis these days on developing what home office directives call "an effective message."

Basically, it reads like this:

American corporations are neither robbers nor exploiters but simply expanding organizations seeking new outlets for their products and services. They ask reasonable profits; in exchange, they offer Latin America the chance to develop and prosper, to acquire new industries and technology and to raise the living standards of its masses.

Among American firms with substantial interests in Latin America, the spreading of this message lately has become almost a creed. Nowhere is it talked about with more missionary fervor than by the Council for Latin America, an organization of more than 220 U.S. companies that has achieved almost institution status as the spokesman for American business on Hemispheric affairs.

ROCKEFELLER STATEMENT

In its literature, the Council describes its purpose as "assisting the business community in discharging its environmental responsibilities in Latin America." What this means was spelled out in a recent speech by David Rockefeller, board chairman of the Chase Manhattan Bank and the chairman of the Council.

"If the intent of the Council and its members can be expressed in a single sentence, it is that we are citizens first, and businessmen second," Rockefeller said. He then offered this ambitious summary of the organization's aims:

"The Council must seek acceptance of its convictions and its goals into the standard operating procedure of as many U.S. business enterprises in Latin America as possible. This means that we shall seek to have companies formally embrace, as a matter of routine, responsibilities for the success of the environment in which they operate fully as intensively as they accept responsibility for the success of their own operations.

"This acceptance, in turn, implies that company chief executives will consciously divide their time and energy between coping with environmental issues and problems of their own business; that labor relations executives will devote time not only to in-plant labor relations but also to the strengthening of the free labor movement as a whole; that executives charged with recruiting and training skilled personnel for management will also concern themselves with the health of the universities, the schools and the vocational training institutions . . ."

It is a very tall order. And many people familiar with the Latin scene are frankly skeptical about the ability of the U.S. business community within Latin America to make such changes.

Their skepticism is understandable when one considers the neanderthal attitudes of some "old Latin hands"—particularly those who grew up in such long-entrenched extractive industries as mining and petroleum. They are men whose thinking was conditioned by a time when Latin America was ruled largely by old-style dictators.

In those days, the game was played according to simple if brutal rules: the dictators got their under-the-table payoffs; in exchange they provided a firm hand to keep the natives in line, and the foreign companies were free to go about the business of mining or drilling for oil.

Despite David Rockefeller's warning that "business must attune its ear anew to the democratic clamor in Latin America," there is no question that most U.S. firms retain a marked preference for investment in the stable environment provided by traditionalist, strong-man regimes.

The two most prominent of these—the military dictatorships in Brazil and Argentina—have no more enthusiastic boosters than the U.S. Chambers of Commerce in Rio de Janeiro and Buenos Aires. And, of all the countries in South America, these are the two that business currently regards as offering the most "favorable investment climate."

OTHER FACTORS

Nor are politics the only impediments to business's efforts to build a new image for itself.

One management consultant, referring to "an invisible barrier" which exists between Americans and the country in which they live and work, observed that the nationals are largely unseen at cocktail parties, dinners and golf matches hosted by Americans; that the Americans often isolate themselves from the country's cultural activities and that they frequently have a "Man Friday" to deal with national officials.

Eventually, the American is promoted back to the States, the acknowledged "company expert," who all too often extends his ignorance of the Hemisphere at home.

Yet, despite the prevalence of this pattern, corporate leaders remain optimistic that it can be broken by putting time and effort into creation of a new breed of managers and field executives. Increasingly, many firms are attempting to recruit new personnel from among young men who have served in Latin America as Peace Corps volunteers or who have made studies of the area's language, culture and history.

The president of one big corporation's Argentine subsidy sees signs that the effort already is beginning to pay off. Says he:

"It's the rare American who's going to become 'criollo' (the local term for 'going native'). But there definitely is greater bridging of cultures. Twenty years ago, if

you went to a party given by one of our younger executives, everyone there would be American. Today maybe 40 to 50 per cent of the guests will be Latins; and there'll be as much Spanish spoken as English."

In addition to its efforts in the personnel area, American business also is spending more time on public relations activities, on becoming active in local trade associations and non-business groups and in lending its considerable resources to development problems.

American enterprise has also introduced some imaginative and effective innovations. These include organizations like ADELA, an investment company capitalized by contributions from U.S. and European firms that provides financial backing for Latin American businessmen trying to launch new enterprises.

In the five years it has been in business, ADELA has put money into everything from a packing house in Guayaquil, Ecuador, to a tourist hotel in Managua, Nicaragua.

A ROCKEFELLER PROJECT

And, there is the International Basic Economy Corp. (IBEC), started by Gov. Nelson Rockefeller, and dedicated to the proposition that private business can introduce new ventures to underdeveloped areas for a profit and for the good of the host country at the same time.

Although IBEC usually has lost money on its operations, it has had unquestionable impact on the countries where it does business. Among its accomplishments have been the revolutionizing of the growing and distribution of hybrid corn in Brazil and the introduction of the American-style supermarket to Venezuela and Peru.

Yet, in the long run, everyone agrees, the battle will be won or lost by individual companies and the impression that they create in the Latin community through their normal, day-to-day operations.

Historically, the picture presented by many American firms was one of oppressive bigness, of rapacious spoiling of natural resources, of hunger for excessive profits, of unwillingness to hire Latin Americans for responsible positions. From this came the present nationalistic demand for expropriation and curtailment of American interests.

To be sure, there are firms that have found the key to operating successfully in Latin America and whose names do not arouse widespread resentment.

HOUSEHOLD NAME

Sears Roebuck, for example, has become a household name in many areas of Latin America where it has introduced American mass-retailing methods. Sears has further ingratiated itself with Latins by making the bulk of its purchases from local factories (many of which did not exist before Sears came on the scene) and by introducing such benefits as stock and profit-sharing for its employes.

Perhaps no American firm has better adopted the formula for working successfully and harmoniously in the Latin environment than one of the oldest, W. R. Grace and Co., which began its corporate life more than 100 years ago with shipping activities in Peru.

Although Latin America now accounts for only a minority percentage of Grace's far-flung activities, it still has extensive holdings in several Latin countries. Nowhere is this more true than in Peru, the country where the firm was born and where Casa Grace (the name by which it is locally known) reaches into every corner of the national economy.

With its two enormous plantations at Cartavio and Paramonga, Grace is Peru's largest producer and processor of refined sugar. It manufactures 70 per cent of the paper products produced in Peru and is also the country's leading manufacturer of textiles, industrial chemicals and quality paints.

It is active in the production of fishmeal and the trading of ore concentrates. It makes candy, cookies and flour, gin, vodka and rum. It imports, sells and services machinery and appliances.

So extensive are its interests that there is hardly a Peruvian within the money economy who does not eat, wear or use something processed, manufactured or imported by Grace. With between 11,000 and 15,000 people on its payroll, Grace is Peru's second largest private employer and one of its biggest taxpayers.

ENJOYS IMMUNITY

Yet, in a country where nationalist feeling against foreign economic influence runs very deep, no one seems to harbor any resentments toward Casa Grace. Other American companies in Peru are constantly under attack but Grace continues to make money while staying out of trouble.

In large measure, this is because Grace did not follow the road to expansion taken by most of the early American firms in Latin America, namely the production of raw materials for marketing in the industrial areas of the world. Instead, it was the first to venture into the local manufacturing of consumer goods for distribution in the local market.

This early concern for and attention to the basic internal needs of the country quickly set Grace apart from most old-line foreign enterprises in South America. Where the others were thought of as plunderers, Grace developed the reputation for being "almost Peruvian" in its integration with the local economy.

Then too, over the years, Grace has developed a style of operating carefully designed to keep Pruvian sensibilities in mind.

In most of its venture, Grace operates through a network of wholly or partly-owned subsidiaries whose connections to the parent company are not paraded before the attention of the public. Thus, when a Peruvian buys a bottle of Wolfschmidt Vodka or a package of Arturo Field biscuits or a General Electric refrigerator, he generally is unaware that the article was made or imported by Grace.

EMPLOYS NATIONALS

The same muted tone about the company's size and foreign connections is evident in its employment policies. Although Peruvian law allows up to 20 per cent of all personnel in business enterprise to be foreigners, Grace's employment of non-Peruvians is less than one per cent of its total staff.

Moreover, Grace was among the first American firms in this part of the world to open the doors of top management to Latin Americans. The general manager of all Grace activities in the country is a Peruvian, as are most of the heads of the divisions under his control.

Officially, the company says it has no set policy other than to fill jobs with the best men available. However, some Grace executives say privately that there is an unwritten law decreeing that the top job in Peru (and in the other Latin countries where Grace operates) be filled by a national of the host country.

Similarly, most North Americans working for Grace in Peru are regaded as in training for higher responsibilities in the parent company's overall operations and are not competing with Peruvians. As a result, Grace has become known in Peruvian business circles as a firm that posts no barriers to the advancement of Peruvians to top jobs.

The few Americans that the company has assigned to Peru are expected to take active part in community affairs, to cultivate the friendship of Peruvians and have an extensive command of Spanish.

A PACE-SETTER

Grace has also been among the pace setters in Peru regarding wage scales and fringe benefits it provides its workers.

Despite its sizable investment in this area, the company is sometimes criticized for taking an overly paternal approach that promotes what Latin sociologists call a "compound" or "stockade psychology." One critique of the brick-and-stone housing blocks built by Grace at its plantations contained this observation:

"One may question whether these plans have fully taken into consideration the problems of the agricultural and rural highland dweller who is in transition. To him, inside plumbing, concrete floor and glass windows may be much less important than land for a garden and shelter that is not a part of large block units."

Nevertheless, the company does seem willing to admit it has things to learn in the social welfare field. From time to time, it employs social anthropologists to evaluate its worker benefit projects and advise how they can be more effective.

In any case, whatever its shortcomings, Grace was among the first foreign or domestic companies in Latin America to involve itself in social programs. Here, as in so many other areas, it has demonstrated such activities add up to a good image, and therefore to good business.

PART V—THE LATIN CHALLENGE: "JOINT VENTURES" LINK NATIONALISTS AND U.S. FIRMS

(By John M. Goshko)

BUENOS AIRES.—The businessman set down his coffee cup, swung his desk chair slightly to the side and gestured toward the wide, tinted-glass windows looking out of his penthouse office. "You want to know about American investment?" he asked. "Well look out that window. From here, I could show you ten, perhaps fifteen buildings that have Amreican companies inside."

The scene was Sao Paulo, the sprawling, booming hub of Brazil's financial and industrial world. But it could have been any other big city in Latin America.

The man speaking was a former cabinet minister who is now a director and consultant of several large Brazilian corporations. What he said applies to all the Latin countries where U.S. enterprise is at work.

"It's a big thing. Certainly, it's important to your country because you have a lot invested here. It's even more important to us, because our economies depend on it for much of the nourishment that makes them grow.

"But there is a question about whether it will continue to be important. If our development is to continue its dependence on American capital, there will have to be some changes in your thinking. Your government will have to change, and the men who sit in Wall Street and run your corporations will have to change."

Increasingly, there is agreement that the $10 billion U.S. business investment, if it is to remain, must change its structure.

CHOICE IS RISKY

Such change entail risks that most corporate leaders would find hard to justify before their stockholders. Many may drop out, a trend already felt. It is alarming the Latin business and governmental leaders who see the region's hope for prosperity in capitalism and who believe that U.S. investment is the seed money on which much business activity depends.

Faced with a growing ultra-nationalist trend toward statism, the Latin entrepreneurial class is nervous about its own survival. As a result, there is a growing awareness of the need to reduce the frictions attendant upon foreign investment.

Guarantees often are mentioned as a means of calming investors' anxieties about political instability, inflation and other monetary ups and downs. But lack of financial resources and political inhibitions often restrict what Latin governments can offer.

Now there is talk about the U.S. government attempting to spur increased private

investment by building incentives and guarantees into the U.S. foreign aid program.

Even assuming that this were done and that private U.S. business was willing to respond to these incentives, there is the question of whether Latin public opinion will allow foreign capital to continue with as much control over their economies as in the past.

An American firm may provide excellent wages and fringe benefits, pay heavy taxes and reinvest most of its profits. It may lend its resources to the solution of critical national problems.

Yet, if ownership remains in U.S. hands and policy direction comes from New York or Detroit, a firm will be regarded as controlling resources and profits that should belong to Latin Americans.

JOINT VENTURES

What can U.S. business do to overcome this essentially political hostility? Among leaders of the Latin business and governmental establishment, an answer is "joint ventures"—under which foreign money works in partnership with Latin capital to establish or expand businesses.

Like their European counterparts, Latin American business leaders look with a mixture of fear and admiration at the managerial and technological superiority of U.S. business. They would like to apply this superiority to their own development, but they do not want to be dominated by it.

They think the joint venture would bring in American capital, technology and administrative technique yet would allow Latin business to share in the profits, acquire know-how and eventually gain control.

This last consideration is all-important. As the Colombian government says: "It cannot be allowed that the commanding heights of our economy remain forever under the control of outsiders."

The trouble is that most American firms are unconvinced that such a system holds out any special benefit to them. They argue that many businesses are not adaptable to the joint venture approach, and that a number already in effect have not worked.

They dislike divided control, especially when the American firm is making the biggest contribution and is expected to be the minority member.

These arguments have focused interest on two countries that have made joint ventures governmental policy. The approaches are known as "Mexicanization" and "Chileanization."

MEXICO CASE

Mexico has bounced among various extremes in its efforts to take advantage of foreign investment yet be master in its own house.

During the revolutionary ferment of the 1920s and 30s, Mexico drove out most foreign interests that previously had controlled its natural resources, transportation, communications and utilities.

More recently, Mexican governments have followed a policy of pushing rapid industrialization on the theory that creation of a domestic capitalist class will eventually provide benefits for the entire country.

Since the end of World War II, Mexico has welcomed foreign investment. However, as one Mexican government official phrases it, the welcome is a provisional one that limits key sectors of the economy to the exclusive ownership of the state (petroleum, petrochemicals, electricity) or of Mexican nationals (banking, publishing, insurance).

Foreign investment is wanted where Mexican businessmen have neither the capital nor the technology to venture on their own. The Mexican government repeatedly has said it "prefers" foreign capital to associate in a minority equity position with Mexican capital.

In a number of fields—advertising, mining and smelting, secondary petrochemicals, food packaging—the law requires at least 51 per cent ownership Mexican.

In other areas, the government tries, through tax exemptions and liberal import permits, to induce foreign investors to accept a minority status. Almost all new investment enters on a "Mexicanized" basis.

The process is also applied to long-established, wholly owned foreign companies. Subsidiaries of American Smelting and Refining, Pan American Sulphur, Allis-Chalmers, Eaton, Yale and Towne, Union Carbide, Kimberly-Clarke, and John Deere and Co. are now 51 per cent or more held by Mexican nationals.

The government makes exceptions when it wants a particular kind of investment badly enough and can attract it only by allowing the foreign company to retain control. This pragmatism is evident toward automobile and electronics manufacturers and toward agricultural firms willing to invest in backward rural areas.

Parent U.S. firms retaining full or majority ownership are Philco, General Electric, Admiral, Sears Roebuck, IBM, ITT, Monsanto, Anaconda, Ford, General Motors and Anderson Clayton. The last three are among the largest business operations in Mexico, each with annual sales in excess of $80 million.

SOME OPPOSITION

Some foreign investors have found themselves unable to work amicably with Mexican partners, and others complain that the government went back on earlier understandings—by failing to provide promised benefits, or by forcing "Mexicanization" against their will.

Yet, Mexico's soaring rate of industrial growth—the most active in Latin America—indicates that the program has been a success. As Octaviano Campos Salas, the secretary of industry and commerce, points out: "No matter what may be said, we continue to have more than enough suitors."

This is because Mexico offers investors a number of conditions that cannot be matched elsewhere in Latin America: a large potential market, stability, no restrictions on the remittance of profits and next-door proximity to home offices.

U.S. money is moving south of the Rio Grande at a record rate. During 1967 (the last year for which complete figures are available), U.S. firms operating in Mexico increased their total investment by $100 million, compared with an increase of only $62 million in 1966. The total now is $1.34 billion.

The implication is that the key factor is the chance to make money. In exchange for that opportunity, American firms apparently are willing to favor Mexican partners with manufacturing licenses, technical assistance and capital—all for minority share of the new enterprise.

CHILE'S ALTERNATIVE

At the opposite end of Latin America, the Chileanization program represents different ideas than "Mexicanization."

Chile's problem is that of a country that depends for its livelihood on a single natural resource—in Chile's case, copper—and that has lacked the capital or technology to exploit it alone.

By 1964, when President Eduardo Frei was elected, nationalistic resentment over the dominant role played by American mining companies made this a subject that could no longer be ignored.

To nationalize the copper industry and throw the American firms out, as extremists demanded, could have ruined the economy. Instead, Frei worked out Chileanization—a form of joint venture designed to bring the Chilean government into partnership with the mining companies.

The plan, which went into effect in 1967, called for the Chilean government to become part owner of the holdings of the three firms controlling 85 per cent of Chilean copper production—Kennecott, Anaconda and the Cerro Corp. The government became majority shareholder in some operations and a junior partner in others. The companies pledged big investments to expand existing mines and to join in new explorations. The aim was to double Chile's copper production to 1.2 million tons by 1972, making it the largest copper producer.

Payment to the companies for the shares taken by the government was to be spread over 20 years. The companies were to receive a re-estimated, stable tax base and guarantees against expropriation.

Originally, the companies accepted "Chileanization" only because the alternative would have been nationalization. Now, partially because of the stability created by the agreement and partially because of high world market prices for copper, they are prospering as never before.

There is a growing feeling within the Chilean government that the agreement so far has not worked out as favorably for the state as had originally been hoped.

Many Chileans expect that in next year's presidential campaign parties on both the left and the right will pressure to abrogate the existing agreements—despite their ostensible guarantees—and either rewrite them or nationalize the industry.

Because of these unsettled issues, it is difficult to pass any judgments on Chileanization. At any rate, these are the two programs that growing numbers of Latins think should serve as the models for future foreign investment throughout the region—Mexicanization as the means of creating a modern, locally controlled industrial base and Chileanization as a way to reassert a country's control over its basic natural resources.

However, to get U.S. investors in the rest of Latin America to do what they have in Mexico and Chile is something else again.

When the potential investor looks at countries whose stability falls short of the Mexican standard, his enthusiasm for joint venture is apt to decline.

Despite the reluctance, the feeling is growing among Latin Americans that U.S. investors really have no choice—if they want to remain in the area.

PRIVATE PANACEA?

The risk can be reduced, they say, if the United States will move away from government-to-government lending and put part of its emphasis on incentives to private investment.

This is especially important, many students of the aid question say, at a time when the U.S. Congress is hostile to traditional foreign assistance methods.

While the U.S. Government decides on future aid goals, many feel that the Nixon Administration can buy time by putting forward aid proposals designed to encourage increased private investment in Latin America.

One hears increased talk of such potential legislative ideas as tax relief on repatriated earnings from U.S. investments equal to the tax reductions originally offered by Latin governments to attract these investments. There is talk also of U.S. tax incentives for firms willing to make socially productive investment in underdeveloped areas and greatly expanded guarantees against expropriation.

But, in the view of many impartial observers, these ideas will not have much lasting impact unless American business changes its thinking sufficiently to make a broad new push in the direction of joint ventures. Moreover, they say, such joint ventures should be a real transitional process leading to the Latins becoming masters of their own economies.

These observers say that the continued timidity of American investors toward joint ventures is playing into the hands of their enemies. Joint ventures, they say, offer foreign investors their only real hope of turning aside nationalistic charges that the Latin American economy is in pawn to outsiders.

If these charges are not answered convincingly, they warn, the nationalists eventually will become strong enough to impose really harsh restraints on foreign capital. If that happens, the eventual result will be not only the loss of the sizable stake that U.S. private enterprise has in Latin America but the end of the capitalist system in a region to which the United States has important geographic, strategic and business ties.

THE 50TH ANNIVERSARY OF THE AMERICAN LEGION

Mr. PROUTY. Mr. President, 50 years ago a group of officers and men of the American Expeditionary Force met in Paris to form a veterans organization upon their return home.

In mid-March 1919, these men were not far in time or space from the horrors of battle on the western front. Not long out of the muddy trenches, they sought not to forget, but to remember those for whom the armistice brought only a quiet grave, a lonely hospital or an uncertain future.

For at that time no broad program of benefits awaited these veterans. There was no Veterans' Administration. There were no veterans' hospitals.

That meeting in Paris, and subsequent veterans' meetings in American cities, led to the formation of the American Legion later in 1919; and with the Legion as their champion, veterans were soon to receive assistance.

Those men, who met in Paris, would not see an end to war. Their sons and sons' sons would take up arms, fight, be wounded, and die. They do so today.

If we have failed to bring peace to the world, we have at least sought to ease the painful wounds and dislocations of those who have fought for our country.

By example and urgings, the American Legion has directed our efforts toward positive steps to assist our veterans, to ease their suffering and to assure them that the Nation, which stood behind them in battle, stays with them when the battle is over and the scars slowly heal.

During this 50th anniversary year of the American Legion, I salute those pioneering Legionnaires and all their successors for their unceasing efforts on behalf of those of whom we have asked so much and who have given us more than we can ever repay.

LEGAL SERVICES FOR THE POOR ACT OF 1969

Mr. MONDALE. Mr. President, recently I introduced a bill designed to expand the legal services program of the Office of Economic Opportunity and give it specific legislative endorsement. In introducing this bill, I made reference both to the innovative nature of the services being provided by the program, and to the widespread support legal services have received across the country.

An article published in the March 7 edition of Time magazine gives a good example of what I mean. Discussing the legal services project in Atlanta, Ga., the article highlights the important work of lawyers in the program in consumer education, and in legal matters. As the director of the program points out, the true need is just beginning to be met. And what is true in Atlanta is true in other parts of the country as well. I believe Director Padnos and his staff are to be congratulated, as are all the other legal services program participants. Further, I believe their pioneering efforts should be expanded as I propose in my bill.

Mr. President, I ask unanimous consent that the article, entitled "Saturday's Lawyers," be printed in the RECORD.

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

URBAN LAW: SATURDAY'S LAWYERS

Bus passengers in Atlanta have been staring at some unusual posters in recent weeks. "They fixed my porch, but then they took my house!" one proclaims. "I'd rather walk clean across town than pay 45¢ for a bunch of greens!" advertises another.

Part of a publicity campaign by the city's Legal Aid Society, the slogans warn the poor—most of them uneducated Negroes—against some common forms of exploitation. They also serve as a warning to the exploiters. Under a Legal Aid Society program, some of the smartest young lawyers in Atlanta's top firms are taking their Saturdays and other days off to defend the poor.

Young lawyers in many cities are representing the poor in their spare time. They handle everything from criminal matters to consumer complaints and even divorces. But Atlanta has one of the most aggressive programs. The Legal Aid Society has 21 regular staffers and 56 volunteer lawyers who spend their weekends hearing complaints in ghetto offices. They are responsible for seeing each case through, even if they must work on it during the regular work week. Their employers do not seem to mind. In fact, the society's board of directors is composed mostly of senior lawyers from the volunteers' firms.

REDUCING THE BILL

The volunteers are doing pioneer work in a comparatively new field of law: the rights of the poor. In an appeal to the U.S. Supreme Court, the Legal Aid Society seeks to have the state's tenant-eviction statute declared unconstitutional because the law makes it all but impossible for the evicted persons to defend themselves in court. Volunteer lawyers are also challenging in a federal court state welfare laws that provide payments for a parent's first three children but none for any born thereafter.

Responding to complaints about high prices and sales of spoiled food, the Saturday lawyers persuaded the owner of a ghetto supermarket to make improvements and to meet regularly with a committee of his customers. Society Director Michael Padnos also arranged to have Grady Hospital, which treats many of the city's poor, review the financial status of certain patients—and perhaps reduce their hospital bills—before bringing lawsuits to collect the money.

The Saturday lawyers try to retaliate against those who take advantage of others' ignorance to make their own living. In a typical case, an illiterate woman came to Legal Aid because she had been tricked into putting up the deed to her home as security for $700 worth of household repairs. After the repairs were completed, a loan company claimed that with interest and other charges she actually owed $1,900. When the company threatened to take over her home, Bill Ide, one of the Legal Aid volunteers, promptly filed suit for his client. Charging contractor and loan company with a "fraudulent conspiracy," Ide asked for $25,000 in punitive damages. The claim against the woman was quickly dropped—and so was Ide's suit.

STARTING TO SCARE

Director Padnos, 33, a University of Chicago Law School graduate, is the man most responsible for turning the Atlanta Legal Aid Society into an effective and exciting organization. "We're just scratching the surface," says Padnos, who wants to double the size of his volunteer staff to 100 lawyers this year. "There are still plenty of people being victimized for every one we help." But the weekend lawyers are at least beginning to fight back against those who once took advantage of the poor without risk of either exposure or interference.

IN BEHALF OF THE REAL STUDENT

Mr. HANSEN. Mr. President, I wish to speak in behalf of the American college student—the real student.

He is a conscientious and law-abiding student, who attends his college or university for the purpose of acquiring an education. He is not one who would use the campus as his forum to put forth his views on overthrowing the so-called establishment or to extoll the virtues of communism or some other theory dedicated to disruption of the greatest, and most free, Nation—the United States of America. He does not try to disguise his motives behind such fictitious labels as "Students for a Democratic Society."

Yet this student, in his peaceful and diligent pursuit of knowledge, suffers from the label being placed upon the entire college community by the actions of a small minority of agitators.

We would do well to lend our support to the college administrators who have the fortitude to uphold regulations and deliver justice to those who bring violence to the campuses. One such administrator is Acting President S. I. Hayakawa, of San Francisco State College. Dr. Hayakawa is an intellectual and one of what we could choose to call the thin gray line of heroes standing between our educational institutions and total disruption.

Dr. Hayakawa has not chosen to face down the advocates of violence in any attempt to lessen the voices of dissent. Dissent is to be encouraged in the United States; no place is it better understood or appreciated than in the Congress, where those in the minority appreciate the privilege just as those in the majority value the contribution of the "loyal opposition."

We, and Dr. Hayakawa, honor the right of dissent. But we do not recognize a right to violence. The Supreme Court of the United States also has recognized in recent rulings that students forfeit their right to dissent when they resort to violence.

Dr. Hayakawa has fought to grant to the real student, who actually represents the vast majority of students, his right to pursue his quest for knowledge.

When the irresponsible few force a classroom to shut its doors, the responsible many suffer. And the responsible many now find they must suffer for the bad reputation of the irresponsible few.

We have no laws in this country, to my knowledge, that force a dissatisfied

student to attend a specific college, or any college at all, for that matter. Those who seek radically to alter the college they attend, through violent means, have no manacles to keep them enrolled. They are free to leave, and at the same time the administrators should be free to expel those who do not choose to abide by the regulations which are so important to the responsible student's pursuit of education. But too often, we find that those who incite violence on campuses actually were expelled previously and have no legal business in returning to the campuses. There are even many instances where the leaders of such violence are not students at the universities concerned, nor have they ever been.

Much has been said about the problems of the generation gap. When many of those arrested in campus disorders prove to be well into their thirties, or even older, we wonder if the leadership of the agitators is even representative of a tiny minority of young America.

Our stake is high in the future of the youth of America. They must be given the best opportunity possible to acquire the vast knowledge which will be needed to keep the freedoms of America strong. Dr. Hayakawa is doing his part to give them this chance.

We in Wyoming have been fortunate that our students have not fallen prey to this element which, in the end, would seek to deprive them of education. Wyoming, of course, is not the only State which has thus far been spared. Most students have resisted those who would lead them from their goals, and turned them away.

Some of our most outstanding students in Wyoming have told me they resent being classed in the public mind with those few disrupters of the college scene. These are the real students, and they number in the millions from the Pacific to the Atlantic.

But the misdeeds of the few have become the problem of the many. The problems on various campuses no longer are remote to those States as yet untouched. It is a national problem, and it must be recognized by the Congress.

Contrary to what some feel on the subject, this does not appear a matter for Federal legislation. Investigations of the leaders and their sources of economic support are appropriate. We must be certain that educators, from the local school boards to the college administrators, understand clearly the threat that is made to our democratic institutions through these manifestations of violence.

And we can lend our moral support to their decisions.

Of all the places in America, it is on the campus where those with whom we cannot agree can most readily be heard. Professors and teachers encourage students to express varying viewpoints. Here lies the future security and progress of America. If force ever subordinates reason and denies dissent, minorities will suffer first, but we will surely all suffer eventually.

Violence and force have no place on a college campus. Education, which appeals to the mind of man and suggests reason as the alternative to force, suffers when classrooms are closed and is diminished when the free exchange of ideas is throttled by the roar of the mob.

The future of our Republic depends upon our hearing not only the loud voices, but all voices.

The Wyoming State Tribune recently published three editorials which explore this problem in depth and with accuracy.

Mr. President, I ask unanimous consent that they be printed in the RECORD, so that the seriousness of the matter may be emphasized.

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

[From the Cheyenne (Wyo.) State Tribune, Mar. 4, 1969]

COLORADO UNIVERSITY: FORCE REPLACES FREEDOM

The University of Colorado through its shameful tolerance of the Students for a Democratic Society, an intolerant, anti-freedom, anarchical organization dedicated to the destruction of higher education in this country, now has made another contribution to the New Totalitarianism.

The events of last night on the CU campus in which followers of the New Left denied President S. I. Hayakawa of San Francisco State College his inalienable right to be heard, is a disgrace to education in general, and a particular disgrace to the administration and regents of the University of Colorado who by their abject permissiveness have permitted such a situation to develop.

Last Nov. 12, in a speech to the National Association of State Universities and Land Grant Colleges, New York University professor of philosophy Sidney Hook said; "The University of Colorado can serve as a paradigm case of high-minded blunder and panicky ineptitude."

In reviewing a series of confrontations between the Students for a Democratic Society that began at Boulder commencing on Oct. 25, 1967, when a group of students forcibly blocked the entry to the placement office, and the administration's and faculty's repeated submission to demands made by this revolutionary organization, Professor Hook observed that the SDS "was not selling ideas but planning an assault on the integrity of American educational institutions including the University of Colorado."

Hook, in his speech, reported on the climactic event of last Oct. 12 when the SDS, granted permission by the university administration to hold a national convention on the campus with the stipulation the sessions should be open to the press, reversed itself on demand of the radical student leaders and permitted coverage only by the reporters not equipped with electronic devices or cameras.

"At a press conference held by President (Joseph) Smiley and Regent (Daniel) Lynch," Hook noted in his speech, "they confessed that the members of the press would have to choose between covering the SDS convention or covering a riot." After further consultation, the university officials reversed themselves again and decided not to use police either to force in cameramen or to clear the hall.

"The SDS had scored a great triumph by its threat to riot. Both the president of the institution and the regents who supported him not only revealed themselves as hopelessly confused about the nature of academic freedom, but also devoid of the courage of their confusion."

"It was a sad day for the University of Colorado and for American higher education," said Hook on that occasion, nearly four months ago, "for it can only embolden the SDS and its allies to continue their policies of confrontation and educational demoralization."

Deriding the university's administration's claim to allowing recognition of the SDS in the furtherance of the university as a "free market place of ideas," Hook said: "Even the administration of the University of Colorado must by now be aware that the SDS is selling different goods than ideas." He quoted Tom Hayden, a leader of the SDS, who, writing after the Columbia University riots of last spring, said, "Columbia University opened a new tactical stage in the resistance movement . . . From overnight occupation of buildings to permanent occupation; from mill-ins to the creation of revolutionary committees; from symbolic resistance to barricades resistance. Not only are these tactics already being duplicated on other campuses, but they are sure to be surpassed by even more militant tactics. In the future it is conceivable that students will threaten destruction of buildings as a last deterrent to police tactics."

Hayden then wrote of tactical hit-and-run operations including raids on the offices of professors doing weapons research which he said he could "win substantial support among students while making the university more blatantly repressive."

Commented Hook: "Here the armed enemy of American higher education is out in the open. Let us not build a Trojan horse of questionable dogma in which he can hide. In the stormy days ahead let us clear our minds of cant and rhetoric and not paralyze ourselves by pious and irrelevant platitudes about the free market place of ideas when students riot according to the directives just cited." And Hook concluded: "Let us firmly uphold the principles of academic freedom . . . and at the same time insist on acceptance of the responsibilities of academic freedom (both of freedom to teach and freedom to learn), and at the same time insist on acceptance of the responsibilities entailed by these academic rights. For without the sense and discipline of responsibility, of the mutuality of respect, academic freedom is indistinguishable from anarchy. And where academic anarchy prevails for long, it is followed by academic tyranny or despotism."

The ugly events of last night on the University of Colorado campus suggest that tyranny and despotism dictated by a small group of radical revolutionaries who follow the theories of Marx as preached by some of his latter-day disciples, in which the dictatorship of the proletariat is replaced by the dictatorship of a so-called intellectual elite, is destroying both academic as well as personal freedom at this educational institution.

As long as CU through the misguided concepts of its regents and administration pursues the idea that it must accord recognition to this repressive, violence-pursuing organization because to do so is to make CU a "free market-place of ideas," then for so long will it cease to be such a free market-place of ideas, and instead will become a place where rule of fear and force prevails.

[From the Cheyenne (Wyo.) State Tribune, Mar. 5, 1969]

EDUCATION, STUDENTS AND THE LAW

A few days ago, a justice of the United States Supreme Court, William O. Douglas, in a speech at Creighton University, said today's campus dissent is the "highest form of constitutional dignity." There are those who would vigorously disagree, however, as to the "constitutional dignity" of the violence that attends today's college and university disturbances.

There are those who believe there are entirely different circumstances connected with

the academic process than with the everyday life of ordinary citizens. Included are some members of the judiciary.

Last September, the four judges of the U.S. District Court for the western district of Missouri delivered a memorandum opinion in the cases of three students involved in disciplinary proceedings in tax-supported colleges and universities.

The opinion established judicial standards of procedure and substantive review in such cases, but outside the narrow purview of the case itself, the court's opinions as to the peculiar nature of higher education itself, and the duties of both institutions and those who attend them, provides an exceptional philosophical essay for one of the great developing social crises of our times.

In its memorandum opinion, the court, comprised of Chief Judge William H. Becker and District Judges John W. Oliver, William R. Collinson and Elmo B. Hunter, sitting en banc, expressed itself on the subject of higher education, college administrations and students. Following are pertinent portions of the opinion:

"Achieving the ideal of justice is the highest goal of humanity. Justice is not the concern solely of the courts. Education is equally concerned with the achievement of ideal justice. The administration of justice by the courts in the United States represents the people's best efforts to achieve the ideal of justice in the field of civil and criminal law . . .

"The modern courts are, and will continue to be, greatly indebted to higher education for their personnel, their innovations, their processes, their political support, and their future in the political and social order. Higher education is the primary source of study and support of improvement in the courts. For this reason, among others, the courts should exercise caution when importuned to intervene in the important processes and functions of education . . .

"Education is the living and growing source of our progressive civilization, of our open repository of increasing knowledge, culture and our salutary democratic traditions. As such, education deserves the highest respect and the fullest protection of the courts in the performance of its lawful missions. . .

"The nihilist and the anarchist, determined to destroy the existing political and social order, who directs his primary attack on the educational institutions, understands fully the mission of education in the United States.

"Federal law recognizes the powers of the tax-supported institutions to accomplish these missions and has frequently furnished economic assistance for these purposes.

"The genius of American education employing the manifold ideas and works of the great Jefferson, Mann, Dewey and many others living, has made the United States the most powerful nation in history. In so doing it has in a relatively few years expanded the area of knowledge at a revolutionary rate.

"With education the primary force, the means to provide the necessities of life and many luxuries to all our national population, and to many other peoples, has been created. This great progress has been accomplished by the provision to the educational community of general support, accompanied by diminishing interference in educational processes by political agencies outside the academic.

"If it is true, as it well may be, that man is in a race between education and catastrophe, it is imperative that educational institutions not be limited in the performance of their lawful missions by unwarranted judicial interference.

"Attendance at a tax-supported educational institution of higher learning is not compulsory. The federal constitution protects the equality of opportunity of all qualified persons to attend. Whether this protected opportunity be called a qualified 'right' or 'privilege' is unimportant. It is optional and voluntary.

"The voluntary attendance of a student in such institutions is a voluntary entrance into the academic community. By such voluntary entrance, the student voluntarily assumes obligations of performance and behavior reasonably imposed by the institution of choice relevant to its lawful missions, processes, and functions. These obligations are generally much higher than those imposed on all citizens by the civil and criminal law.

"So long as there is no invidious discrimination, no deprival of due process, no abridgement of a right protected in the circumstances, and no capricious, clearly unreasonable or unlawful action employed, the institution may discipline students to secure compliance with these higher obligations as a teaching method or to sever the student from the academic community.

"No student may, without liability to lawful discipline, intentionally act to impair or prevent the accomplishment of any lawful mission, process, or function of an educational institution.

"The discipline of students in the educational community is, in all but the case of irrevocable expulsion, a part of the teaching process. In the case of irrevocable expulsion for misconduct, the process is not punitive or deterrent in the criminal law sense, but the process is rather the determination that the student is unqualified to continue as a member of the educational community. Even then, the disciplinary process is not equivalent to the criminal law processes of federal and state criminal law. For, while the expelled student may suffer damaging effects, sometimes irreparable to his educational, social, and economic future, he or she may not be imprisoned, fined, disenfranchised, or subjected to probationary supervision. The attempted analogy of student discipline to criminal proceedings against adults and juveniles is not sound.

"In the lesser disciplinary procedures, including but not limited to guidance counseling, reprimand, suspension of social or academic privileges, probation, restriction to campus and dismissal with leave to apply for readmission, the lawful aim of discipline may be teaching in performance of a lawful mission of the institution.

"The nature and procedures of the disciplinary process in such cases should not be required to conform to federal processes of criminal law, which are far from perfect, and designed for circumstances and ends unrelated to the academic community.

"By judicial mandate to impose upon the academic community in student discipline the intricate, time consuming, sophisticated procedures, rules and safeguards of criminal law would frustrate the teaching process and render the institutional control impotent."

[From the Cheyenne (Wyo.) State Tribune, Mar. 6, 1969]

THE BELL TOLLS FOR THEE

A leader of the Students for a Democratic Society in a speech at Colorado State University yesterday gave his organization "credit" for the demonstration at the University of Colorado Monday night against President S. I. Hayakawa of San Francisco State College. This really is an outstanding accomplishment, a lawless mob that deprived one lone man of the right to be heard.

The SDS spokesman, who had a secure audience at CSU where he spoke before 1,000 students, said Hayakawa should have been dragged off the stage at CU. The SDS leader added, "I'm proud of what we did." Hayakawa, he added, didn't have a right to speak at CU because the educator "runs a police state."

The thing that should disturb a lot of people in this country is that such acts of sheer terror and mob rule are allowed to occur. The University of Colorado administration through Dr. Joseph Smiley, president, now has apologized to Professor Hayakawa for what took place at CU. So has Governor Love of Colorado. To say one is sorry, of course, does a great deal of good.

If a band of men in tall hats and hoods over their heads had stood up in the CU auditorium while Hayakawa was attempting to speak and shouted him down or attempted to attack him, as the SDS did, there would be arrests all over the place. But because a rabble of students committed this heinous, illegal, immoral act, nobody does anything about it except wring his hands, say he's awfully sorry, and announce that the incident is being investigated and arrests will be made. All of it after the fact.

Every citizen in this country should be secure not only in his own home, but in the streets and in public or private buildings; secure in his person and secure in his constitutional guarantees including that of free speech; he should moreover be secure against the use of illegal force and violence.

But the authorities seem somehow paralyzed by these student demonstrators whose proclivities toward violence and breach of the peace, and whose actions deprive individual citizens such as Prof. Hayakawa of their inalienable rights.

It is not enough to say one is sorry. It is not enough to express regret. The time has come to secure the rights of all citizens, not just those of the criminals, the law-violators, the lawless, the student mobs, the destroyers of our society.

Until such time as colleges and universities, using the laws of the larger society, act to preserve order on their campuses and to preserve the fundamental guarantees accorded all people, students and non-students alike, then for so long will they continue to serve as incubators for such an evil brood as the Students for a Democratic Society—an organization that is not democratic, that is antisocietal and that is not really comprised of sincere students.

The unfortunate thing is that whenever such as took place at Boulder last Monday night occurs, everyone including the authorities tend to view it as a remote event, affecting someone else. But Professor Hayakawa, in this case, is the embodiment of every citizen who believes in a society that enjoys the benefits of rule of law devised by constitutional means, not rule of men, not the imposition of rule by mob violence.

John Donne's lines are as true in this instance as any other: "Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee."

And so the bell tolls for all of us, for all law-abiding Americans, when such as occurred at the University of Colorado this week, takes place. It is a shameful blot that no expressed regret can erase.

A GENERATION IN SEARCH OF A FUTURE

Mr. McGOVERN. Mr. President, one of the most helpful statements I have read in many months is the text of an extemporaneous speech by Dr. George Wald, Harvard's Nobel Prize-winning biologist, who addressed a large audience at MIT on March 4, 1969. This memora-

ble speech was reproduced in the Boston Globe of March 8, 1969.

Because of its great importance, I ask unanimous consent that this address by Dr. Wald be printed in the CONGRESSIONAL RECORD.

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

A GENERATION IN SEARCH OF A FUTURE

(By Dr. George Wald)

(NOTE.—The crowd of 1200 at M.I.T.'s Kresge Auditorium last Tuesday was shifting and restless when Harvard biologist George Wald rose to speak.

(Students and professors there as a part of the "Mar. 4 movement" protesting the misuse of science were disturbed at the lack of focus in the day's numerous panel discussions and speeches.

(The 1968 Nobel prize winner in physiology and medicine provided a focus.

(As in his popular lectures at Harvard, Wald talked extemporaneously, his head back, his eyes almost closed. His words had an electric effect.

(A hush fell over the audience, broken just once by sustained applause midway in the speech, and climaxed by a prolonged standing ovation at its conclusion.

(Two Boston Globe staffers, reporter Crocker Snow Jr. and editorial writer James G. Crowley, covered the M.I.T. meeting, returned to the office independently of each other and told an editor, "I think I've just listened to the most important speech of my lifetime.

(It may well be just that.)

(With gratitude to WGBH-Ch. 2, which furnished the tape-recording, The Boston Globe takes pleasure in printing for the first time the entire text of Dr. Wald's March 4 speech.)

All of you know that in the last couple of years there has been student unrest breaking at times into violence in many parts of the world: in England, Germany, Italy, Spain, Mexico, and needless to say, in many parts of this country. There has been a great deal of discussion as to what it all means. Perfectly clearly it means something different in Mexico from what it does in France, and something different in France from what it does in Tokyo, and something different in Tokyo from what it does in this country. Yet unless we are to assume that students have gone crazy all over the world, or that they have just decided that it's the thing to do, there must be some common meaning.

I don't need to go so far afield to look for that meaning. I am a teacher, and at Harvard, I have a class of about 350 students—men and women—most of them freshmen and sophomores. Over these past few years I have felt increasingly that something is terribly wrong—and this year ever so much more than last. Something has gone sour, in teaching and in learning. It's almost as though there were a widespread feeling that education has become irrelevant.

A lecture is much more of a dialogue than many of you probably appreciate. As you lecture, you keep watching the faces; and information keeps coming back to you all the time. I began to feel, particularly this year, that I was missing much of what was coming back. I tried asking the students, but they didn't or couldn't help me very much.

But I think I know what's the matter, even a little better than they do. I think that this whole generation of students is beset with a profound uneasiness. I don't think that they have yet quite defined its source, I think I understand the reasons for their uneasiness even better than they do. What is more, I share their uneasiness.

What's bothering those students? Some of them tell you it's the Vietnam War. I think the Vietnam War is the most shameful episode in the whole of American history. The concept of War Crimes is an American invention. We've committed many War Crimes in Vietnam; but I'll tell you something interesting about that. We were committing War Crimes in World War II, even before Nuremburg trials were held and the principle of war crimes started. The saturation bombing of German cities was a War Crime and if we had lost the war, some of our leaders might have had to answer for it.

I've gone through all of that history lately, and I find that there's a gimmick in it. It isn't written out, but I think we established it by precedent. That gimmick is that if one can allege that one is repelling or retaliating for an aggression—after that everything goes. And you see we are living in a world in which all wars are wars of defense. All War Departments are now Defense Departments. This is all part of the double talk of our time. The aggressor is always on the other side. And I suppose this is why our ex-Secretary of State, Dean Rusk—a man in whom repetition takes the place of reason, and stubbornness takes the place of character—went to such pains to insist, as he still insists, that in Vietnam we are repelling an aggression. And if that's what we are doing—so runs the doctrine—anything goes. If the concept of war crimes is ever to mean anything, they will have to be defined as categories of acts, regardless of provocation. But that isn't so now.

I think we've lost that war, as a lot of other people think, too. The Vietnamese have a secret weapon. It's their willingness to die, beyond our willingness to kill. In effect, they've been saying, you can kill us, but you'll have to kill a lot of us, you may have to kill all of us. And thank heavens, we are not yet ready to do that.

Yet we have come a long way—far enough to sicken many Americans, far enough even to sicken our fighting men. Far enough so that our national symbols have gone sour. How many of you can sing about "the rockets' red glare, bombs bursting in air" without thinking, those are our bombs and our rockets bursting over South Vietnamese villages? When those words were written, we were a people struggling for freedom against oppression. Now we are supporting real or thinly disguised military dictatorships all over the world, helping them to control and repress peoples struggling for their freedom.

But that Vietnam War, shameful and terrible as it is, seems to me only an immediate incident in a much larger and more stubborn situation.

Part of my trouble with students is that almost all the students I teach were born since World War II. Just after World War II, a series of new and abnormal procedures came into American life. We regarded them at the time as temporary aberrations. We thought we would get back to normal American life some day. But those procedures have stayed with us now for more than 20 years, and those students of mine have never known anything else. They think those things are normal. They think we've always had a Pentagon, that we have always had a big army, and that we always had a draft. But those are all new things in American life; and I think that they are incompatible with what America meant before.

How many of you realize that just before World War II the entire American army including the Air Force numbered 139,000 men? Then World War II started, but we weren't yet in it; and seeing that there was great trouble in the world, we doubled this army to 268,000 men. Then in World War II it got to be 8 million. And then World War II came to an end, and we prepared to go back to a peacetime army somewhat as the American army had always been before. And indeed in 1950—you think about 1950, our international commitments, the Cold War, the Truman Doctrine, and all the rest of it—in 1950 we got down to 600,000 men.

Now we have 3.5 million men under arms: about 600,000 in Vietnam, about 300,000 more in "support areas" elsewhere in the Pacific, about 250,000 in Germany. And there are a lot at home. Some months ago we were told that 300,000 National Guardsmen and 200,000 reservists had been specially trained for riot duty in the cities.

I say the Vietnam War is just an immediate incident, because so long as we keep that big an army, it will always find things to do. If the Vietnam War stopped tomorrow, with that big a military establishment, the chances are that we would be in another such adventure abroad or at home before you knew it.

As for the draft: Don't reform the draft—get rid of it.

A peacetime draft is the most un-American thing I know. All the time I was growing up I was told about oppressive Central European countries and Russia, where young men were forced into the army; and I was told what they did about it. They chopped off a finger, or shot off a couple of toes; or better still, if they could manage it, they came to this country. And we understood that, and sympathized, and were glad to welcome them.

Now by present estimates four to six thousand Americans of draft age have left this country for Canada, another two or three thousand have gone to Europe, and it looks as though many more are preparing to emigrate.

A few months ago I received a letter from the Harvard Alumni Bulletin posing a series of questions that students might ask a professor involving what to do about the draft. I was asked to write what I would tell those students. All I had to say to those students was this: If any of them had decided to evade the draft and asked my help, I would help him in any way I could. I would feel as I suppose members of the underground railway felt in pre-Civil War days, helping runaway slaves to get to Canada. It wasn't altogether a popular position then; but what do you think of it now?

A bill to stop the draft was recently introduced in the Senate (S. 503), sponsored by a group of senators that ran the gamut from McGovern and Hatfield to Barry Goldwater. I hope it goes through; but any time I find that Barry Goldwater and I are in agreement, that makes one take another look.

And indeed, there are choices in getting rid of the draft, I think that when we get rid of the draft, we must also cut back the size of the armed forces. It seems to me that in peacetime a total of one million men is surely enough. If there is an argument for American military forces of more than one million men in peacetime, I should like to hear that argument debated.

There is another thing being said closely connected with this: that to keep an adequate volunteer army, one would have to raise the pay considerably. That's said so positively and often that people believe it. I don't think it is true.

The great bulk of our present armed forces are genuine volunteers. Among first-term enlistments, 49 percent are true volunteers. Another 30 percent are so-called "reluctant volunteers," persons who volunteer under pressure of the draft. Only 21 percent are draftees. All re-enlistments, of course, are true volunteers.

So the great majority of our present armed

forces are true volunteers. Whole services are composed entirely of volunteers: the Air Force for example, the Submarine Service, the Marines. That seems like proof to me that present pay rates are adequate. One must add that an Act of Congress in 1967 raised the base pay throughout the services in three installments, the third installment still to come, on April 1, 1969. So it is hard to understand why we are being told that to maintain adequate armed services on a volunteer basis will require large increases in pay; they will cost an extra $17 billion per year. It seems plain to me that we can get all the armed forces we need as volunteers, and at present rates of pay.

But there is something ever so much bigger and more important than the draft. The bigger thing, of course, is what ex-President Eisenhower warned us of, calling it the military-industrial complex. I am sad to say that we must begin to think of it now as the military-industrial-labor union complex. What happened under the plea of the Cold War was not alone that we built up the first big peacetime army in our history, but we institutionalized it. We built, I suppose, the biggest government building in our history to run it, and we institutionalized it.

I don't think we can live with the present military establishment and its $80-100 billion a year budget, and keep America anything like we have known it in the past. It is corrupting the life of the whole country. It is buying up everything in sight: industries, banks, investors, universities; and lately it seems also to have bought up the labor unions.

The Defense Department is always broke; but some of the things they do with that $80 billion a year would make Buck Rogers envious. For example: the Rocky Mountain Arsenal on the outskirts of Denver was manufacturing a deadly nerve poison on such a scale that there was a problem of waste disposal. Nothing daunted, they dug a tunnel two miles deep under Denver, into which they have injected so much poisoned water that beginning a couple of years ago Denver began to experience a series of earth tremors of increasing severity. Now there is a grave fear of a major earthquake. An interesting debate is in progress as to whether Denver will be safer if that lake of poisoned water is removed or left in place. (N.Y. Times, July 4, 1968; Science, Sept. 27, 1968).

Perhaps you have read also of those 6000 sheep that suddenly died in Skull Valley, Utah, killed by another nerve poison—a strange and, I believe, still unexplained accident, since the nearest testing seems to have been 30 miles away.

As for Vietnam, the expenditure of fire power has been frightening. Some of you may still remember Khe Sanh, a hamlet just south of the Demilitarized Zone, where a force of U.S. Marines was beleaguered for a time. During that period we dropped on the perimeter of Khe Sanh more explosives than fell on Japan throughout World War II, and more than fell on the whole of Europe during the years 1942 and 1943.

One of the officers there was quoted as having said afterward, "It looks like the world caught smallpox and died." (N.Y. Times, Mar. 28, 1969).

The only point of government is to safeguard and foster life. Our government has become preoccupied with death, with the business of killing and being killed. So-called Defense now absorbs 60 percent of the national budget, and about 12 percent of the Gross National Product.

A lively debate is beginning again on whether or not we should deploy antiballistic missiles, the ABM. I don't have to talk about them, everyone else here is doing that. But I should like to mention a curious circumstance. In September 1967, or about 1½ years ago, we had a meeting of M.I.T. and Harvard people, including experts on these matters, to talk about whether anything could be done to block the Sentinel system, the deployment of ABM's. Everyone present thought them undesirable; but a few of the most knowledgeable persons took what seemed to be the practical view, "Why fight about a dead issue? It has been decided, the funds have been appropriated. Let's go on from there."

Well, fortunately, it's not a dead issue.

An ABM is a nuclear weapon. It takes a nuclear weapon to stop a nuclear weapon. And our concern must be with the whole issue of nuclear weapons.

There is an entire semantics ready to deal with the sort of thing I am about to say. It involves such phrases as "those are the facts of life." No—these are the facts of death. I don't accept them, and I advise you not to accept them. We are under repeated pressures to accept things that are presented to us as settled—decisions that have been made. Always there is the thought: let's go on from there! But this time we don't see how to go on. We will have to stick with those issues.

We are told that the United States and Russia between them have by now stockpiles in nuclear weapons approximately the explosive power of 15 tons of TNT for every man, woman and child on earth. And now it is suggested that we must make more. All very regrettable, of course; but those are "the facts of life." We really would like to disarm; but our new Secretary of Defense has made the ingenious proposal that one must be practical. Now is the time to greatly increase our nuclear armaments so that we can disarm from a position of strength.

I think all of you know there is no adequate defense against massive nuclear attack. It is both easier and cheaper to circumvent any known nuclear defense system than to provide it. It's all pretty crazy. At the very moment we talk of deploying ABM's, we are also building the MIRV, the weapon to circumvent ABM's.

So far as I know, with everything working as well as can be hoped and all foreseeable precautions taken, the most conservative estimates of Americans killed in a major nuclear attack run to about 50 millions. We have become callous to gruesome statistics, and this seems at first to be only another gruesome statistic. You think, Bang!—and next morning, if you're still there, you read in the newspapers that 50 million people were killed.

But that isn't the way it happens. When we killed close to 200,000 people with those first little, old-fashioned uranium bombs that we dropped on Hiroshima and Nagasaki, about the same number of persons was maimed, blinded, burned, poisoned and otherwise doomed. A lot of them took a long time to die.

That's the way it would be. Not a bang, and a certain number of corpses to bury; but a nation filled with millions of helpless, maimed, tortured and doomed survivors huddled with their families in shelters, with guns ready to fight off their neighbors, trying to get some uncontaminated food and water.

A few months ago Sen. Richard Russell of Georgia ended a speech in the Senate with the words: "If we have to start over again with another Adam and Eve, I want them to be Americans; and I want them on this continent and not in Europe." That was a United States senator holding a patriotic speech. Well, here is a Nobel Laureate who thinks that those words are criminally insane. (Prolonged applause.)

How real is the threat of full scale nuclear war? I have my own very inexpert idea, but realizing how little I know and fearful that I may be a little paranoid on this subject, I take every opportunity to ask reputed experts. I asked that question of a very distinguished professor of government at Harvard about a month ago. I asked him what sort of odds he would lay on the possibility of full-scale nuclear war within the foreseeable future. "Oh," he said comfortably, "I think I can give you a pretty good answer to that question. I estimate the probability of full-scale nuclear war, provided that the situation remains about as it is now, at 2 percent per year." Anybody can do the simple calculation that shows that 2 percent per year means that the chance of having that full-scale nuclear war by 1990 is about one in three, and by 2000 it is about 50–50.

I think I know what is bothering the students. I think that what we are up against is a generation that is by no means sure that it has a future.

I am growing old, and my future so to speak is already behind me. But there are those students of mine who are in my mind always; there are my children, two of them now 7 and 9, whose future is infinitely more precious to me than my own. So it isn't just their generation; it's mine too. We're all in it together.

Are we to have a chance to live? We don't ask for prosperity, or security; only for a reasonable chance to live, to work out our destiny in peace and decency. Not to go down in history as the apocalyptic generation.

And it isn't only nuclear war. Another overwhelming threat is in the population explosion. That has not yet even begun to come under control. There is every indication that the world population will double before the year 2000; and there is a widespread expectation of famine on an unprecedented scale in many parts of the world. The experts tend to differ only in their estimates of when those famines will begin. Some think by 1980, others think they can be staved off until 1990, very few expect that they will not occur by the year 2000.

That is the problem. Unless we can be surer than we now are that this generation has a future, nothing else matters. It's not good enough to give it tender loving care, to supply it with breakfast foods, to buy it expensive educations. Those things don't mean anything unless this generation has a future. And we're not sure that it does.

I don't think that there are problems of youth, or student problems. All the real problems I know are grown-up problems.

Perhaps you will think me altogether absurd, or "academic", or hopelessly innocent—that is, until you think of the alternatives—if I say as I do to you now: we have to get rid of those nuclear weapons. There is nothing worth having that can be obtained by nuclear war: nothing material or ideological, no tradition that it can defend. It is utterly self-defeating. Those atom bombs represent an unusable weapon. The only use for an atom bomb is to keep somebody else from using it. It can give us no protection, but only the doubtful satisfaction of retaliation. Nuclear weapons offer us nothing but a balance of terror; and a balance of terror is still terror.

We have to get rid of those atomic weapons, here and everywhere. We cannot live with them.

I think we've reached a point of great decision, not just for our nation, not only for all humanity, but for life upon the Earth. I tell my students, with a feeling of pride that I hope they will share, that the carbon, nitrogen and oxygen that make up 99 percent of our living substance, were cooked in the deep interiors of earlier generations of dying stars. Gathered up from the ends of the universe, over billions of years, eventually they came to form in part the substance of our sun, its planets and ourselves. Three billion years ago life arose upon the Earth. It seems to be

the only life in the solar system. Many a star has since been born and died.

About two million years ago, man appeared. He has become the dominant species on the Earth. All other living things, animal and plant, live by his sufferance. He is the custodian of life on Earth. It's a big responsibility. The thought that we're in competition with Russians or with Chinese is all a mistake, and trivial. Only mutual destruction lies that way. We are one species, with a world to win. There's life all over this universe, but we are the only men.

Our business is with life, not death. Our challenge is to give what account we can of what becomes of life in the solar system, this corner of the universe that is our home and, most of all, what becomes of men—all men of all nations, colors and creeds. It has become one world, a world for all men. It is only such a world that now can offer us life and the chance to go on.

LAW AND ORDER

Mr. MONDALE. Mr. President, we often hear today the cry for "law and order." It seems, however, that for some people this cry is really an incantation. That is, they believe if they say "law and order" often enough and loud enough the crime problem will disappear.

What is needed more than incantations is systematic analysis. What is it we really mean when we say we want "law and order?" Do we want to double our police forces or mete out stricter sentences to lawbreakers so as to retard their activities? Do we really know that these are the most effective means to accomplish this end? Perhaps we would accomplish more by working to correct the social causes of crime rather than merely seeking to deal with crimes after they have been committed.

Mr. President, once again I invite attention to a report called "Toward a Social Report," prepared by HEW. Among other things, the report tries to analyze systematically the problem of crime as it relates to the quality of American life.

Under the Full Opportunity Act of 1969, S. 5, the President would be required to submit such a report to Congress annually. The Full Opportunity Act would also establish a Council of Social Advisers to help the President formulate the social report and a Joint Committee of the Social Report to help the Congress evaluate it. Of equal importance is the fact that S. 5 declares full opportunity for every American to be a national goal.

Let me say a few words about what the fifth chapter of "Toward a Social Report," entitled "Public Order and Safety," has to say about how crime impairs the full opportunity of many Americans. According to statistics compiled by the FBI, major crimes have increased 13 percent in 1964, 6 percent in 1965, 11 percent in 1966, and 17 percent in 1967. It is noted that the victims of crimes, as well as the perpetrators, "are more likely to be residents of the poverty area of central cities than of suburbs and rural areas."

The report notes that Negroes have higher arrest rates than whites, but that Negroes also "have higher rates of victimization than whites of any income group." Quite related to this phenomenon is the fact that it is precisely in the ghetto areas "where the prospects for legitimate and socially useful activity are the poorest." As the report states:

> It seems unlikely that harsh punishment, a strengthening of public prosecutors, or more police can, by themselves, prevent either individual crime or civil disorder.

These measures do not really speak to what I consider to be one of the major causes of crime in the ghetto: powerlessness and frustration born out of the culture of poverty. What is really needed is to bring full opportunity—in all of its ramifications—to the people whose dominant cultural milieu is poverty.

Mr. President, I ask unanimous consent that "Public Order and Safety," the fifth chapter of "Toward a Social Report," be printed in the RECORD.

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

CHAPTER V. PUBLIC ORDER AND SAFETY

WHAT IS THE IMPACT OF CRIME ON OUR LIVES?

To assess the quality of American life, we must consider the impact of crime on our society. People neither want to be the victims of crime nor to live in fear of crime. Moreover, crime challenges the basic assumptions of civilized society. A society cannot claim to be minimally civilized if greed and aggression are regularly permitted to override respect for other people.

An increase in crime has a variety of implications for the well being of a society. It is reflected in the workload of the police, the amount of harm to victims, and the prevalence of criminal behavior and attitudes. The impact of crime needs to be appraised from each of these perspectives to determine how crime can best be prevented and controlled.

For these purposes it is best to concentrate on crimes generally considered most serious. There is a set of actions which almost every society has felt it necessary to combat. These include criminal homicide, assault, rape, and different varieties of theft. Because such actions have been prohibited at almost all times and places by a nearly universal consent, the study of these crimes answers best to the needs of social reporting for data, for meaningful comparisons, and for phenomena of clear concern to our society.[1]

INCREASES IN MAJOR CRIMES

The periodic reports of law enforcement agencies to the Federal Bureau of Investigation show large and persistent increases in the numbers of known crimes. The FBI statistics show increases in major crimes generally considered serious of 13 percent in 1964, 6 percent in 1965, 11 percent in 1966, and 17 percent in 1967.[2] Major crimes have been increasing faster than the population. The FBI index of major crimes per hundred thousand population increased at an average rate of 8.7 percent per year between 1958 and 1967.

Different types of crime have been increasing at very different rates. Indeed, the homicide rate was actually lower in 1967 than in 1933. From 1958 to 1967 FBI index crimes per 100,000 population increased at the following average annual rates:

	Percent
Homicide	2.9
Rape	5.6
Aggravated assault	7.8
Robbery	10.0
Burglary	8.4
Larceny	9.9
Auto theft	8.2

The problem of underreporting

It has long been known that there has been a difference between the total number of crimes and those officially reported. In fact, sample surveys undertaken for the President's Crime Commission in 1965 indicate that several times as many crimes occur as are reported in official crime statistics. One explanation is that the victims of crime often do not report incidents because of the circumstances in which a crime occurs. Assaults, for example, commonly occur among members of the same family or among neighbors and the participants involved often prefer to make their own peace with each other. If a juvenile steals something it may seem kinder to obtain restitution through his parents rather than through the police.

THE HARM DONE TO VICTIMS

In addition to information on the number of significant criminal offenses, we need to know how much harm these offenses do to their victims. If in a given year there were 90 more murders and 100 fewer burglaries, most people would surely say that victims had suffered more, though the number of criminal offenses would be less. We need a way of "weighting" each crime that occurs according to the amount of harm it does.

So that a burglary will not count as much as a murder, property crimes could be weighted by the average amount of the dollar loss which results and murders weighted by some appropriately much greater figure. A very conservative, if not callous, figure would be the projected life-time earnings of an individual, perhaps $200,000. This weighting procedure would be crude, but it would be far less misleading than counting every crime equally as one. To illustrate, there were on average 298,661 burglaries reported in the years 1938 to 1942. There were on average 7,525 murders in the same years. In a latter 5-year period, 1952 to 1956, there were an average of 491,864 burglaries and 7,000 murders. The total number of the two crimes per year was 192,678 greater on average in the second period. But if we weight the burglaries in constant dollars and the murders by $200,000, even this crude and illustrative weighting would strongly suggest that there was less harm to victims.

Vulnerability and property risks

Information on the aggregate amount of harm resulting from crime would tell us something important from the victims' point of view, but not enough. Different people—or the same people at different times—are vulnerable in different degrees. A physical injury which represents a brief period of pain and inconvenience to a young person can be catastrophic to an older one. A loss of a few dollars might hardly be missed by a rich man, but felt sorely by a poor one.

Analogously, we need to ask questions about the vulnerability of whole societies or the same society at different times. How much does crime hurt the members of a society, given their ages, activities, wealth and way of life?

If we consider only crimes of theft against property we can estimate both the amount of harm and the degree of our vulnerability. We can estimate the dollar losses from such crimes from FBI statistics going as far back as the thirties. At the same time, we can

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[1] It should not be forgotten, however, that other sorts of crimes create an immense caseload for the police and the courts. Over half of all arrests are for public drunkenness, drunk driving, other liquor offenses, disorderly conduct, vagrancy, and gambling.

[2] The FBI Index of Crime is composed of murder and willful manslaughter, forcible rape, robbery (involving at least the threat of personal violence in an attempt to steal), aggravated assault, burglary (with or without the use of force), larceny (stealing without the use of force or fraud), and automobile theft. Arson and kidnaping are the most obviously serious crimes not included.

contrive a very crude dollar measure of our vulnerability over the same period. We can estimate the dollar value of consumer durables in each year together with the amount of currency in circulation in that year as the measure of our wealth exposed to theft. This makes it possible to say whether the rapacity of criminals is gaining on the growing wealth of the country, or lagging behind it.

Has a dollar in property values become safer or less safe from the common forms of theft? Table I shows that by the above calculation the overall risk per $1,000 has increased from $3.55 to $3.91 from 1938 through 1967. For robbery, larceny, and auto theft it was less than in 1938 as recently as 1965; but for burglary it was already considerably greater.

TABLE 1.—VALUE OF PROPERTY INVOLVED IN THEFT (WHETHER RECOVERED OR NOT) PER $1,000 OF APPROPRIABLE PROPERTY [1]

Year	Robbery	Burglary	Larceny	Auto theft	Total loss
1967	0.14	1.18	0.79	1.80	3.91
1966	.12	.99	.73	1.65	3.48
1965	.11	.94	.68	1.57	3.30
1964	.12	.89	[2] .71	1.63	[2] 3.35
1963	.11	.80	.67	1.33	2.90
1962	.09	.70	.58	1.18	2.55
1961	.11	.68	.56	1.08	2.43
1960	[2] .11	[2] .66	[2] .54	[2] 1.09	[2] 2.41
1959	.07	.54	.47	1.00	2.08
1958	.07	.55	[2] .46	.99	[2] 2.08
1957	.06	.45	.53	1.12	2.16
1956	.06	.43	.51	1.09	2.09
1955	.07	.43	.48	1.02	2.00
1954	.08	.50	.54	1.13	2.24
1953	.08	.45	.55	1.35	2.43
1952	.08	.50	.61	1.43	2.63
1951	.07	.39	.47	1.30	2.23
1950	.10	.40	.46	1.16	2.12
1949	.09	.42	.51	1.20	2.22
1948	.11	.48	.62	1.48	2.69
1947	.12	.55	.67	1.60	2.94
1946	.13	.63	.74	1.94	3.44
1945	.12	.57	.70	2.19	3.58
1944	.08	.45	.60	1.90	3.02
1943	.07	.37	.56	1.66	2.66
1942	.08	.36	.56	1.52	2.52
1941	.13	.42	.62	1.90	3.07
1940	.13	.42	.57	1.83	2 95
1939	.15	.47	.62	1.90	3.14
1938	.15	.52	.69	2.20	3.55

[1] Appropriable property represents currency in circulation plus a rough estimate of the stock of consumer durable goods.
[2] Data not strictly comparable to previous year.

The uneven burden

There are groups in our society which bear a larger share of the harm done by crime than others. Those most likely to be victims of major crimes—poor Negroes living in the central city—appear to have a rate of victimization several times that of those least likely to be victims—middle-income whites living in a surub or rural area (see tables 2 and 3).

In general, victimization rates tend to decline as one moves outward from central cities to rural areas. This tendency is pronounced for violent crimes against the person, which seem to show a central city rate five times greater than that of small cities and rural areas. Property crimes, on the other hand, show a rate only twice as great. The rates of "white collar crimes" such as forgery, counterfeiting, and the various types of fraud do not seem to vary with the type of community.

The response to risk

How do different groups in the population respond to their different risks? Many people are seriously frightened by the risk of crime, and forgo certain activities in order to minimize this risk, such as working or seeking entertainment in certain areas of cities where they live. It would be valuable to know the extent of such dislocations, for they detract significantly from the quality of life.

TABLE 2.—VICTIMIZATION BY AGE AND SEX

[Rates per 100,000 population]

Offense	Age						
	10 to 19	20 to 29	30 to 39	40 to 49	50 to 59	60 plus	All ages
MALE							
Total	951	5,924	6,231	5,150	4,231	3,465	3,091
Robbery	61	257	112	210	181	98	112
Aggravated assault	399	824	337	263	181	146	287
Burglary	123	2,782	3,649	2,365	2,297	2,343	1,583
Larceny ($50 plus)	337	1,546	1,628	1,839	967	683	841
Auto theft	31	515	505	473	605	195	268
FEMALE							
Total	334	2,424	1,514	1,908	1,132	1,052	1,059
Forcible rape	91	238	104	48	0	0	83
Robbery	0	238	157	96	60	81	77
Aggravated assault	91	333	52	286	119	40	118
Burglary	30	665	574	524	298	445	314
Larceny ($50 plus)	122	570	470	620	536	405	337
Auto theft	0	380	157	334	119	81	130

Source: 1965 survey by the National Opinion Research Center for the President's Commission on Law Enforcement and Administration of Justice.

TABLE 3.—VICTIMIZATION BY RACE AND INCOME

[Rates per 100,000 population] [1]

Offenses	White				Nonwhite		
	0 to $2,999	$3,000 to $5,999	$6,000 to $9,999	Above $10,000	0 to $2,999	$3,000 to $5,999	$6,000+
Total	2,124	2,267	1,685	2,170	2,894	2,581	3,387
Homicide	0	0	0	0	56	0	0
Forcible rape	58	46	0	17	111	60	121
Robbery	116	91	42	34	278	240	121
Aggravated assault	146	289	147	220	389	420	121
Burglary	1,310	958	764	763	1,336	1,261	2,056
Larceny ($50 plus)	378	700	565	916	501	300	363
Auto theft	116	183	167	220	223	300	605

[1] Rate per 100,000 population of each specific race and income group.

Source: 1965 survey by the National Opinion Research Center for the President's Commission on Law Enforcement and Administration of Justice.

Information on the character of such dislocations was obtained by the President's Crime Commission. Sixteen percent of respondents in one survey said they had recently wanted to go out but had stayed home because of fear for their own safety. One out of three Negroes had done so and one of out eight whites. Those who were worried about burglary and robbery were 50 percent more likely to take precautions (such as installing locks or bars on windows and keeping firearms) than those who were not.

The Commission also discovered, however, that there was no clear relationship between having been a victim or witness of crime and the taking of precautions. There was a similar lack of clear relationship between the relative rate of crime in a respondent's neighborhood and his perception of it.

THE DEGREE OF CRIMINALITY IN AMERICAN SOCIETY

The harm criminals do to their victims is the main reason we are concerned about crime, but it is not the only reason. The crimes that are committed call in question the decency of our society and the dependability of our social institutions.

When assessing the criminality or law abidingness of a population it is necessary to consider the age distribution of the population. Since young people commit a disproportionate share of crime at all times, it would be possible for the crime rate to increase with a growing proportion of young people even if the propensities of *both* older and younger age groups remained the same.

This possibility is pointed up by the fact that for any one-year age bracket, the greatest number of people arrested for rape, aggravated assault and robbery are age 18, for burglary probably age 15, for auto theft age 16. Crime rates for all age cohorts fall off as their members get older, the rates for the lesser property crimes as early as age 16 or 17, the rates for the major crimes considerably later.

Part of the recent increase in crime rates can thus be attributed to the growing proportion of young people in the population, since there were more adolescents and young adults in the United States in the sixties, relative to the rest of the population, than there were in the fifties. But part of the increase apparently must also be attributed to greater criminality among the young. The percentage increase in juvenile arrest rates from 1960 to 1967 was nearly a third more than that for adults. Arrest rates themselves may not be a good indicator, but they point to the possibility that the propensity of youth to crime is increasing.

If we take into account the size and age composition of the population, the rate of increase in criminality over the past decade appears to have been less than the rate of increase in the absolute number of reported crimes. In 1958, there were 1,573,210 major crimes officially reported; in 1967, there were 3,802,300 such crimes, an increase of 142 percent, for a compound annual rate of increase of 10.3 percent. The rate of such crimes per 100,000 population was 903.6 in 1958 and 1,921.7 in 1967. This crime rate increased 113 percent, for an annual rate of 8.7 percent. But if the proportion of young people, ages 13 to 20, had been the same in 1967 as in 1958, there would have been fewer crimes, a 92 percent increase in the rate, for an annual rate of increase of 7.5 percent.

CRIME PREVENTION

If "crime does not pay," it is because society tries hard to see that it does not. It hires policemen and prosecutors and punishes those convicted of crime.

It is natural that any increase in crime or fear of crime should bring forth demands to

apprehend more criminals and punish them more severely. Just as higher wages should attract more labor, so harsher punishments and greater probabilities of apprehension and conviction should deter more crime.

Incentives that deter crime

There is obviously much to be said for this "deterrence" or incentive-oriented approach to the crime problem. Fear of punishment undoubtedly deters some crime. Moreover, if the legal system can, in fact, succeed in inflicting harm only on the guilty, this approach appeals to the sense of justice, in a way that police harrassment of "suspicious characters" or preventive detention do not. And unlike vengeance, it has a positive social purpose.

The implications of this approach are, however, a good deal less clearcut than they seem to be. If the theory is not properly stated and qualified it can be a disastrous guide to policy. The conclusion that an increased concern about crime demands harsher punishments is in need of distinction and qualification.

One alternative to harsher punishment is greater reward for legitimate and socially useful activity. For example, there is not much doubt that the poor have higher crime rates for the major and violent crimes than those who are well off. That there is a relationship between poverty and crime is clear, although its precise nature is not.

It is most unlikely that the greater involvement of the poor in criminal activities can be explained entirely, if at all, in terms of the relative severity of potential punishment. In law the punishment is not supposed to vary with the income of the criminal. The social and economic loss resulting from a criminal record are probably greater for those who are well off, but on the other hand, it has been observed that the well-off often receive milder sentences. The rewards for legitimate activity are, on the other hand, systematically and considerably greater for the well-off than for the poor, and this makes crime a relatively less attractive alternative for them than for the poor. Thus informal penalties and incentives to lawful and productive activity seem more likely to explain the difference between the crime rates of rich and poor than the formal deterrents of the law. Adding plausibility to this view is the fact that those with a criminal record are more likely to commit further crimes and have fewer opportunities for legitimate activity because of their criminal records.

The complexity of criminal motivation

Whether a potential criminal is tempted to commit a criminal act or not depends on his perception of the alternatives open to him. There is always a risk that the criminal may be caught, and the potential criminal may perceive such a risk. But he is not likely to be deterred from committing a criminal act by the perception that there is a small chance that he will be severely punished.

The fact that the criminal is often confident he will not be caught, and may be disposed to taking chances, does not mean that harsher punishments would not deter some crime. But if punishments are already sufficiently severe that few will commit criminal acts unless they are disposed to take chances and think the odds are good that they will not be caught, then somewhat more severe punishments can often have only a minor deterrent effect.

This line of reasoning does, however, argue that additions to police forces that are large enough to make it clear to everyone that he is very likely to get caught if he commits a crime would have a significant deterrent effect. And there is clear evidence that more intensive police deployment does, in fact, have such effects. When authorities saturate a high crime area with policemen, the crime rate in the area drops dramatically.

Most crimes are committed by the young, whose experience and knowledge are limited. The alternatives a young person considers, and his evaluation of them, depend particularly on what he learns from his family and friends. Presumably most children brought up in fortunate circumstances never even consider becoming criminals. They know crime is wrong, realize it doesn't pay, and are intellectually and emotionally prepared for legitimate careers. They are, moreover, taught to look upon the police and the system of law and order as something that helps and protects them.

For some young Americans, the situation is very different. They grow up in miserable circumstances and are given no reason to think that legitimate effort will brighten their future. The law for their forbears may have been an instrument of oppression; the police a source of rudeness or even brutality, rather than of protection. In some slum areas most young men have police records, and a readiness to risk arrest may be considered a sign of manhood.

What this means is that the social context of poverty, and the poorer prospects for those who grow up in it, both tend to make socioeconomic deprivation a major cause of crime. A crime prevention strategy which focuses only on punishment, prosecution, and policing is therefore not only insufficient in terms of the theory that is used to justify it, but in addition neglects the cultural factors that must also be taken into account.

Among those who commit crimes there are not only those whose values and perceptions are the result of the influence of deviant social groups such as teenage gangs. There are also those whose deviance is a product of mental illness. There are some people in every social class who act as though they wish to be punished or as though they have determined that their values will be the opposite of those that social authorities lay down, whatever these values may be. For those who value punishment in general or deviance in general to some degree, to a like extent the punishments generally prescribed to deter crime will be ineffective. This illustrates the importance of keeping the extraordinary complexity of criminal motivation in mind.

Crime and civil disorders

The importance of group attitudes toward the law and the police, and of the objective obstacles to legitimate success in the slum environment, are illustrated by the civil disorders. These disorders tend to center in ghetto areas whose residents regularly list police behavior—lack of service and protection as well as rudeness and brutality—as primary complaints.

It seems likely that such negative attitudes toward the police and the system of law, and pessimism about the prospects of legitimate success, cannot be remedied through harsher punishment, a strengthening of public prosecutors, or more police. Such measures may help, but they are unlikely by themselves to prevent either individual crime or violent protest. The objective opportunities for the poor, and their attitudes toward the police and the law, must also change before the problems can be solved.

The policy challenge

The crime problem confronts society with a number of alternatives. Apprehension and punishment serve as deterrents to crime, as of opportunities, and measures to improve tiveness. At the same time an enlargement of opportunities, and measures to improve the social context in which crime emerges, are also necessary. Crime is, in other words, an index of the health of the entire social organism.

REVIVAL OF A FAILING COOPERATIVE SUPERMARKET

Mr. HARRIS. Mr. President, I am informed that a little over a year ago Safeway Stores, Inc., undertook a project to revive a failing cooperative supermarket known as the Hunters Point Cooperative Supermarket in San Francisco, Calif. The Hunters Point Cooperative Supermarket was on the edge of bankruptcy when Safeway stepped in with financial, managerial, and technical support. Since that time the Hunters Point Cooperative Supermarket has once again become profitable and is now an ongoing, sound business. I think this is an excellent example of the contribution that private industries can make toward the problems of business in the inner city. I, therefore, ask unanimous consent that certain articles concerning this matter be printed in the RECORD in order that others might be able to acquaint themselves with this success story.

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

[From the Immaculate, December 1968]

ALL FOR $1

(By Evelyn M. Raabe)

Two men entered the Neighborhood Co-op. The all-but-bare shelves underscored the plight of the business.

"Got any ideas what we might do to save it?" asked John Wilks of his companion, Cal Pond.

The story of what followed has all the facets of once upon a time.

This co-op is located in San Francisco's Negro community of Hunters Point. It had its beginning in a dream that "goes back 6 or so years," said Sam Jordan, one of its founders—owner of a bar and catering service in the area. "At that time, some other fellows and I were picketing that very store—now the Neighborhood Co-op. We had pickets at the other stores as well. We wanted them to hire more of our people, and also give the people a fair shake for their money—fair prices and better merchandise.

"A few of us got to thinking then," Jordan continued. "Maybe the answer was to have a store owned by the people. When we learned that that particular store was available, a group of us—having been working on the co-op idea for a few years and raising money—jumped at the chance in 1965 to buy it."

This Neighborhood Co-op thus had its beginning.

But the business did not flourish and, gradually, as the months mounted into more than 2 years, things went from bad to worse. The credit rating tottered—until the co-op could buy only on a cash basis.

"Maybe we rushed into it too fast, underfinanced, not realizing the complexities involved in food retailing," the directors later summed up the situation.

Another factor. "It costs $5 to own a share in the business, and many of the investors thought that they would immediately start getting rebates on their investment—rebates whether or not they bought anything in the store.

"Then, too, because this is their store, and because they have so long been made to feel inferior, they think the merchandise in their store is inferior, too. So, in spite of having a personal interest in the welfare of their store, they probably feel they are rising above their environment and circumstances by shopping elsewhere."

Then came a day in November, 1967. Two gunmen held up the store—and left with $3,000 in cash and $9,000 in checks. . . . The co-op was insured—for $2,000. Only a fraction of the amount of the checks was recovered.

The downhill trend worsened. The Board of Trade threatened. "We were doomed," said Leonard Batts, President of the Neighborhood Co-op's Board of Directors.

The Board turned to one of the Neighborhood Co-op's shareholders, John L. Wilks—nationally-known public relations and business management consultant.

In his search for a helping-hand, Wilks mentioned the store's desperate situation to a friend, Cal Pond, Corporate Public Relations Department Manager at Safeway.*

And so it was that Wilks took Pond to see the Neighborhood Co-op. The outside of the store "left much to be desired." Inside—it had "all the makings" for a modern supermarket; but many of the shelves were empty; there were "inept displays, inefficient checkout stands and numerous other deficiencies."

The two men discussed the situation at length. Pond then pursued it with Safeway's Vice President, Malcolm Grover, and, subsequently, with others at the top—including Quentin Reynolds, President, and R. A. Magowan, Chief Executive Officer and Chairman of the Board.

Some days later, W. S. Mitchell, Executive Vice President, visited the store with Pond and Wilks. And one evening brought another visitor. The manager of the co-op, Louis Valente, struck up a conversation with the stranger. Perhaps a new customer? "My name is Reynolds," the man replied. "I work for Safeway." . . . Only hours later did Valente realize he'd been speaking with Safeway's President.

The rescue operation was soon underway. The Board of Trade was "persuaded" to grant a 90-day extension. Safeway's Vice President in Charge of Corporate Development, W. Creighton Peet, Jr., became the link with the co-op management. Peet assigned Safeway's Wally Lane, Manager of Store Operations Department, to head up the task-force—that was to spend "hours, days and weeks studying every part of the problem and making recommendations."

Among the recommendations—and one of the first—was to appoint a Safeway manager to "pilot the co-op's retail operations and set up personnel training programs." Mel Thomas—in his 16th year with Safeway—was chosen for this assignment. And Thomas more than welcomed it. "It's a pleasure," he said, "to come here and try to be of some help."

Safeway's study of the co-op's situation was "an elaborate one—a computerized analysis of the store's entire operation from management down to every item on the store's shelves." Safeway's helping-hand "providing management consultant services covering all phases of food retailing: including store design, fixtures, stocking plans, personnel hiring and training, merchandising, delivery scheduling, inventory, accounting and security measures." But Safeway would not participate in determining the co-op's pricing of merchandise—it would only "advise on basics of sound business management."

And Safeway's price for all this? $1.

"We look upon this project as more than a business challenge," said Safeway's President, Quentin Reynolds. "Once the fate of that small co-op came to our attention, we couldn't stand idly by knowing it was going under and some 2,700 persons of limited circumstances suffer from the loss. Here was a chance for our company to really become involved in giving a hand to low-income people who are trying to better themselves.

"Yes," Reynolds said, in answer to a question, "we have a Safeway Super Market in the area—about ten blocks from this co-op. This had no bearing on our decision. There are many other competitors in the area, but there's enough business for all. But more importantly, we wanted to see this co-op succeed because it symbolizes the free enterprise system."

"Safeway's undertaking,' wrote one San Francisco paper, "is a significant one nationally, for it marks the first all-out effort by a corporation of tremendous know-how to help a losing ghetto business. Other big companies have established branches of their own in Ghettoes elsewhere in the nation, but have never ventured into a Ghetto to assist a failing business."

The re-opening of the Neighborhood Co-op was scheduled for early June. Prior to that time, the store was closed for a few days "while the Safeway task-force supervised alterations inside and out, re-stocked shelves and moved in new equipment to bring the store up to the operating level of Safeway stores."

THE FORMAL OPENING

June 6 brought the formal reopening of the co-op—located at Third and Paul Streets: the turnoff point for baseball fans to Candlestick Park. San Francisco's Mayor Joseph Alioto was there to cut the ribbon. Safeway's top executives were present. Like the mayor, Safeway's Quentin Reynolds also spoke to those who had come for the event—black businessmen and leaders of the community, and many of the Hunters Point residents. "Others in business and industry throughout the United States," said Reynolds, "will be encouraged to try this effort at cooperation if the result of this work is a success."

Some weeks before, Leonard Batts had said: "It leaves me almost speechless to realize that the know-how of the vast Safeway organization is working with us to analyze our problem and help us make our dream become a reality."

And now, as Batts looked around—the co-op "glistening like a typical Safeway operation"—it was still all very hard to believe. But . . . the ribbon-cutting ceremony HAD taken place. "I'm very proud of this," Batts said slowly. "It reminds me of a ship being christened for a second maiden run."

It is now several months since that second launching. And the voyage?

"Our business has increased steadily," Batts reports. "We have received over 500 new applications for membership in the Co-op, and every day brings more.

"Safeway still stands with us at the helm, and will continue to do so until we reach our objective."

And Safeway?

"That Co-op has come along in good shape," Reynolds beamed. "We're most enthused about it."

FUNCTIONS

Safeway Stores went into the Co-op under the personal direction of its president, Quentin Reynolds. Reynolds felt that the store—which had been going bust for months—could serve the ghetto community in two very valuable ways.

First, if the store could be made to pay, Hunters Point-Bayview would have a store truly its own. And second, a soundly operated Co-op could provide jobs and apprentice training for Negro youths.

Reynolds asked Leonard Batts, the president of the Co-op's board of directors, if the giant supermarket chain could assign a Safeway team full time to the project of bringing the Co-op out of debt. Since the store had just sustained a $12,000 uninsured loss through robbery, Batts was only too willing to give the approval.

CLEANUP

Thomas said, "The most difficult thing about putting this place on its feet was getting started." Thomas, formerly manager of a Safeway store at Seventh avenue and Cabrillo street, put together a "clean-up" squad of Safeway employees.

"For three days," said Thomas, we pulled display counters apart, fumigated them; killed rats; wiped out a termite infestation and threw away five huge scavenger bins of junk."

Then Thomas bought $50,000 worth of merchandise. "We received, cut (opened), priced and marked 4000 cases of food and goods—all in three days. The deadline was killing."

According to Thomas, the old Co-op management didn't have the proper savvy in the buying end. "People would come in here, looking for nine items, and be lucky if they could get four," Thomas said.

As Thomas gradually put the store on a more efficient basis, he sent the members of his original Safeway team back to their old jobs. "I hired six replacements" the manager said, "All from the community."

And just last week, Thomas hired his own replacement, Willie L. Scott, a former assistant store manager from Hayward.

"Now that the store has shown a profit," Thomas concluded, "I'll be going back to my old Safeway job." Thomas said he will stay around just long enough to break Scott in on his new duties.

PRIDE

John L. Wilks, a public relations man and Co-op member, and he thinks the new Co-op can make it. "The original Co-op was started," he said, "by some 2700 community people who bought shares."

"Negro people are developing a fierce pride in their community. The idea of owning their own store appeals to them."

"All this store needs," said Thomas, "is for people to come in and buy."

Added Scott: "If we could do $21,100-a-week business, it would be like we were 5000 feet out of the hole."

[From the San Francisco (Calif.) Chronicle, Sept. 3, 1968]

"TRIBUTE TO KENNEDY": HUNTERS POINT CO-OP ALMOST ON ITS OWN FEET

(By Steve Pelletiere)

Safeway Stores is on the brink of creating a living memorial to the late Senator Robert Kennedy.

It was June 6—the day the Senator died—that Safeway undertook to save the dying Hunters Point Co-op.

Last week, a Safeway manager announced that "We (the Safeway personnel) definitely have doubled business since taking over. The store was doing less than $7000-a-week, and now its over $14,000."

The manager, Mel Thomas, quoted from the just completed store inventory to show that "for the first time in three years, the store has made a profit. This," said Thomas, "is sort of a tribute to Senator Kennedy."

[From the Washington Daily News, Jan. 23, 1969]

"PROJECT PROGRESS" HELPS SAVE STORES

(By David Holmberg)

A white San Francisco grocery chain representative who helped revive a dying food store in a ghetto area there—and earned the respect of militant Black Panthers in the process—has come to Washington to try to boost similar projects here.

The new effort of Cal Pond, a Safeway stores public relations man, is part of a broad new assignment here to involve his corporation with the problem of American cities.

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*Editor's Note: There are nearly 2,500 Safeway food stores and drug centers here and aboard—in which, according to statistics, Safeway sales totaled 3.36 billion in 1966.

Mr. Pond was instrumental in persuading his firm to provide managerial help to the Hunter's Point Co-op in San Francisco—a large store owned by some 2,700 shareholders, most of them Negro.

Last summer the store was in debt to the tune of $85,000, and a $12,000 robbery appeared to be the finishing blow.

It was at that point that Mr. Pond stepped in.

He had been meeting with other business executives and talking to city officials in an attempt to find ways to aid the inner city. Thru these contacts he met John Wilks, a Negro public relations man and a shareholder in the Co-op.

POOR MANAGEMENT

Mr. Pond checked out the store's possibilities after talking to Mr. Wilks, and a Safeway management team soon moved in to try to save the store. The Safeway study showed that the store's management simply did not have the know-how to run it profitably.

By September, the store had shown a profit for the first time.

While working on the Hunter's Point project, Mr. Pond met members of the militant Black Panthers, including Eldridge Cleaver. He spent a week-end with other Negro Panther members and some students in a seminar which he said "turned out to be a sort of a psychodrama."

Some of the Panthers were hostile at first, Mr. Pond said, but they changed their attitude "once we demonstrated we were sincere, once we showed we really wanted to narrow the gap between promise and performance."

LOCAL PROJECTS

Mr. Pond is here to study problems of the inner city, at the national level and to attempt to aid projects like the Hunter's Point Co-op rejuvenation—and Project Progress, which the Safeway office here began working on last June. Mr. Wilks and Mr. Pond recently conferred here on various projects.

Safeway has provided advice on management and design to a group of ex-convicts who opened a "Project Progress" food store at 4131 Wheeler Road SE in Congress Heights. It also has set up a training school for managers and workers at the store.

That store, like the Co-op is prospering, and its success has further encouraged Safeway in the belief that what Mr. Wilks has called "the failure psychosis" of the ghetto can be ended.

[From the San Francisco (Calif.) Sunday Examiner & Chronicle, Jan. 12, 1969]

HUNTERS POINT CO-OP MARKET PROVES MODEL PROJECT—OTHERS COME TO STUDY, ADAPT PROGRAM SET UP BY SAFEWAY

(By Harry Johanesen)

An idea began to blossom for Frank E. Clarke when he read about the unprecedented project launched by Safeway Stores in San Francisco's Bayview-Hunters Point District.

Clarke, coordinator of special events for the Los Angeles Black Congress, was delighted to read these things:

Safeway had come to the rescue of the Bayview-Hunters Point Co-op Supermarket, a black owned business tottering at the brink of bankruptcy due to a long series of bad breaks.

Safeway's voluntary undertaking had brought all the top business talents of the giant retail food chain into the dying Co-op at 6190 Third St. in an 11th hour operation to stave off almost certain disaster for its small competitor.

Before he had finished reading, Clarke's idea had reached full blossom.

WHY NOT?

If Safeway would undertake to do these things to keep a competitor from going under, why wouldn't Bank of America extend help to the Bank of Finance, a black-owned financial institution in Los Angeles?

Following through, he called on Bank of America officials, told them what Safeway was doing in San Francisco, and asked whether they could arrange similar assistance for the Bank of Finance.

HELPING POOR

Bank of America agreed and has been training personnel at Bank of Finance ever since . . .

The Los Angeles outgrowth of Safeway's project is one of many stemming elsewhere in the country and at least one in Africa since Safeway volunteered last June to help put the Co-op on a paying basis.

Mel Thomas, a Safeway store manager who took over direction of Co-op operations seven months ago, said yesterday visitors from all over the world as well as this country have visited the new sparkling supermarket during those months.

"They were all interested in the idea of helping poor people get into business for themselves," said Thomas.

Thomas left the supermarket yesterday to return to the ranks of Safeway's top managerial staff.

Thomas turned over the reins of management to Willie Scott, an experienced supermarket manager and a graduate of Lincoln University in Missouri.

But Thomas's return to Safeway did not mean that the food chain is completely satisfied with business growth at the Co-op. The company's Co-op task force, headed by corporate vice president Creighton Peet, will continue in an advisory capacity to the Co-op's board of directors.

Safeway president Quentin Reynolds said the Co-op's business has tripled in the past seven months.

"It's coming along and being operated in a fine manner," Reynolds said. "Our goal is a 15 to 20 per cent increase over present volume of business."

The store has moved ahead so well that only last week the state corporation commission authorized the sale of 10,000 additional shares of stock in the Co-op.

Leonard Batts, chairman of the Co-op board, and John L. Wilks, board member and public relations consultant, said a committee is being formed to sell the shares at $5 each to buyers all over The City.

"People don't need to buy shares to shop at the Co-op," said Batts. "Shoppers from everywhere are welcome. But we feel the more people who own shares the more shoppers we will have."

[Reprinted from Chain Store Age Supermarket Editions, August 1968]

SAFEWAY: REVIVING A DYING NEGRO SUPER—$85,000 IN DEBT, BADLY UNDERSTOCKED—SAN FRANCISCO CO-OP SUPER GOT MANAGEMENT AID FROM QUENTIN REYNOLDS-LED SAFEWAY TEAM

In San Francisco late last year, 30 business execs met to discuss a burning issue: How to help the ghetto jobless, and the Negro businessman, survive.

Included was Cal Pond, a public and government relations man for Safeway, the nation's second largest food chain (1967 sales: $3.36 billion).

The top echelon group reached three conclusions:

1.) There was a great deal of money, muscle and expertise represented at the conference table. 2.) Social and civil unrest in the country had reached alarming proportions. 3.) Something had to be done fast to relieve the problem.

Cal Pond came away from that meeting with one thought: What is that "something" . . . what can *we* at Safeway do to help the economic bottom rung of our society up the ladder?

Co-op on last legs. About the same time, in the Hunter's Point-Bayview section of San Francisco, a grocery store owned by some 2,700 co-operative shareholders, most of them Negro, was one step away from closing its doors—permanently.

Under-financed, under-patronized, poorly managed, the 15,500 sq. ft. "Neighborhood Co-op" had been waging a valiant but losing battle for survival since the day it opened, in 1965.

It had accumulated debts of $85,000, owed to some 100 creditors—most of them suppliers—and was losing money at the rate of $5,000 monthly. The store was reduced to two limited bank accounts, had a total of only six employes, and a shelf inventory that was 75% below normal.

With weekly volume down to a starvation-level of under $10,000, the Co-op had received a nearly fatal death blow last November when gunmen held it up and fled with $3,000 in cash and $9,000 worth of checks.

Cal Pond visited the store shortly after the robbery. He was told of its desperate plight by John Wilks, a Co-op shareholder, and head of a prominent San Francisco Negro executive research firm. Wilks had been working with Safeway to help ferret out causes of, and find solutions to, inner city problems.

Could Safeway help? As Pond looked at the empty shelves, he wondered aloud—"Is this the place to do 'something'?" Could the famed management skills of Safeway teamed with Co-op spirit be put to work to transform this sick store into a profitable community business—one that would strengthen the local, predominantly Negro economy, and provide employment for area jobless? To act would set a precedent unique to the business community.

After all, he reasoned, the store had potential. Agreed, it was located in a low, to low-middle, income area, and unemployment there was fairly high. But he had noticed that the houses were neat and orderly, streets pleasantly tree-lined, and there was none of the feeling of hopelessness and despair that you usually find in such ghettos as Harlem or Watts.

From a traffic-building standpoint, the store was on the corner of a busy intersection, accessible by highway, and near a turn-off point to the Giants' Candlestick Park. In short, the unit could succeed, if someone could help transform the store into the type of supermarket local people would be proud to patronize.

Could that "someone" be Safeway? Pond took the idea to vice president Malcolm Grover, and to other Safeway top management including president Quentin Reynolds, and board chairman Robert A. Magowan. They agreed to help.

Safeway investigates. The chain immediately began a 90-day investigation to determine the root causes behind the Co-op's decline—why it had sunk to a literal hand-to-mouth existence . . . and what they could do to reverse the downward trend. What they found:

The Co-op management team, though hardworking and dedicated, simply lacked the knowledge and experience needed to turn the store into a profitable operation. Security and cash control procedures, for example, were woefully inadequate. Cash and checks were mixed together, and pilferage was excessive.

Stock rotation was neglected, prices were high and perishables had the sallow look of too many days in the case.

The Co-op's merchandise buying decisions were naive, and frequently unrelated to customer preferences and needs. A $4,000 inventory of French vermouth was gathering dust on the shelves. End displays consisted of items like $1.50 dog candy, a price out of reach for all but the most affluent consumers.

The Co-op wasn't being patronized by its shareholders. Leonard Batts, president of the store's board of directors, estimates that 70% of the Co-op members live within a one-mile radius of the store—but only 6% shopped it regularly.

Safeway steps in. Safeway felt the store could be turned around. and on April 15th, the chain and the Neighborhood Co-op drew up a contract, whereby the former agreed to supply—for the fee of $1.00—"management consultant services" covering such areas as stocking plans, personnel hiring and training, delivery scheduling, inventory management and security. The agreement stipulated that Safeway would act merely as an advisor. But competent, professional advice is what the Co-op needed most.

One day after the agreement was signed, Safeway's management team rolled up its sleeves and went to work with Co-op employes and shareholders curing the sick store.

Quentin Reynolds says of the milestone occasion: "In attempting to grapple with social and economic problems, private industry has too often given promises without performance. Good intentions are fine, but they don't put food on the table, or help a dying business."

He continues: "Here was a chance to help close the gap, to follow through. The fact that we would be competing with a Safeway just blocks away wasn't important. What was important was that we would be working together with others to help decent, respectable citizens pull themselves up by their own bootstraps."

Reynolds designated W. Creighton Peet, vice president, corporate development, to act as liaison between Safeway and the Co-op. One of Peet's—and Safeway's—first recommendations was to move in a Safeway store manager (salary paid by the Co-op) on an interim basis.

Appoint new manager. The man tapped for the job: 39-year-old Mel Thomas, a 16-year Safeway veteran, and manager of the chain's Cabrillo Street unit in San Francisco.

Quentin Reynolds says this of Mel Thomas: "He wasn't picked out of a hat. He was selected over dozens of other manager candidates for several important reasons, not the least of which is his proven track record as teacher and trainer."

No less than six assistants who had worked under Thomas are now managing their own stores. As well, Thomas has always been active in community affairs. And, as a former manager of a Safeway super in a predominantly Negro area, he is sympathetic to their problems.

Thomas' obligation to the store will continue until a permanent manager is selected and approved by the Co-op board. Safeway, meanwhile, has volunteered to train the store's front-end staff, and help recruit additional clerk personnel.

Facelift for Co-op. In addition to beefing up management and training, the chain suggested changes in store layout, equipment and inventory.

Safeway extended a line of credit for merchandise to help the Co-op restock its nearly empty shelves. The chain also advised the Co-op to put greater emphasis on national brands instead of Co-op private labels, which had only limited shopper appeal. Advisors also recommended boosting the store's non-food assortment, with special attention to H&BA and housewares.

Safeway donated five checkstands from its surplus warehouse to replace the Co-op's older, less efficient split types. Also supplied: A brace of reconditioned, repainted shopping carts. Almost all of the Co-op's carriers were missing.

Modifications in store layout included changes like these: An upfront office-conference room was reduced in size, to provide more lobby space, more room for shopping carts; several of the store's split-aisle gondolas were filled in to accommodate more shelf items, add linear footage; H&BA, which had been scattered throughout the store, was consolidated into a single, permanent section opposite produce.

TIGHTER SECURITY SOUGHT

Finally, Safeway called in Jesse Wagner, head of the chain's central security department. Wagner's recommendations: Regular register pickups, to reduce cash drawer overflows; closer policing of backdoor receiving; a two man team to open and close the store; armored car service for the deposit of receipts.

Safeway didn't want—and studiously avoided—any publicity for its efforts. But word of mouth, and a key article in the San Francisco Examiner, triggered a groundswell of outside support that exceeded Safeway's, and the Co-op's, wildest expectations.

OTHERS HELP, TOO

Media people, both press and radio, were among the first to jump on the bandwagon. The Berkeley Post and the San Francisco Sun, papers with large Negro readership, offered free ad space. A radio station volunteered spot announcement time, on an open-schedule basis. Other communications people helped revamp exterior signs and repaint a parking lot pylon. Another vote of confidence was supplied by a major business machines manufacturer who gave the Co-op five new cash registers.

Suppliers and distributors pitched in. They extended lines of credit, helped restock shelves, moved equipment even decorated.

People—store staff and ordinary citizens—also pledged willing hands and strong backs. Shareholders and non-shareholders, blacks and whites, women and children, streamed into the store to haul rubbish, scrub floors, clean shelves—with the local clerks union's blessing.

A NEW BEGINNING

On June 6th, San Francisco mayor Joseph Alioto, Safeway's Quentin Reynolds and a host of Co-op shareholders reopened the refurbished super. That day and the three days that followed brought in a total of $16,000 in sales, double the previous week.

At presstime, sales continue to trend upward.

What's the long-range outlook for the Neighborhood Co-op? Optimism runs high—from Safeway president Reynolds, to Co-op chairman Batts. But both realize the store is not out of the woods yet.

Still to be done: A permanent store manager must be selected from either the Safeway organization, or through Co-op sources. A store staff must be honed into a competent, efficient work team. Debts totaling $85,000 must be erased off the books.

Says Leonard Batts: "One of our immediate aims is to reach the breakeven point, so that we can begin paying back our creditors. The store should start showing a profit when we reach a $20,000–$25,000 per week volume. (Editor's note: That goal should have been exceeded by now.)

Batts continues: "We want more shareholders. We've already started soliciting new members and hope to have an additional 6,000–7,000 owners within two years."

"Influence others." Safeway's interest in the Co-op goes beyond dollars and cents. Says Quentin Reynolds: "We want to leave footprints. We want to influence others to take an active, demonstrable interest in pumping new life into Negro-owned businesses. No one can do the job alone . . . not the government, not the food chains, not other private sectors. But, collectively, we can make a dent."

To the question of what will happen to the Co-op once Safeway starts severing the umbilical cord, Reynolds answers: "If the Safeway management team is as good as it's supposed to be, and if the people we've helped to train are as good as we think they are—the Neighborhood Co-op will succeed."

Projections call for Safeway to begin a gradual withdrawal from the store within six months to a year from now. They will maintain contact with the Co-op as long as needed.

Gap closing. Safeway is not the only food chain to aid the Negro entrepreneur movement. NAFC says that at least six other major chains are currently providing marketing, managerial, and operational expertise to new owned and operated Negro food stores. Among those helping: Supermarkets General in N.J. Thanks to S. G. C. assistance, a Harlem, N.Y. co-operative, open since May, has begun providing supermarket service in an area where there was none; created between 60 and 85 new full- and part-time jobs for the hard-core unemployed.

Safeway has helped a store in trouble. Six other chains are helping stores before trouble starts. The gap between promise and performance has begun to close.

OVER 70 FOOD CHAINS PLAN TO HIRE JOBLESS IN NAB–JOBS PROGRAM—300,000 JOBS PROMISED HARD CORE

Like Safeway (see previous story), the National Alliance of Businessmen (NAB) is closing the gap between hope and reality—by finding companies who will pledge themselves to hire and train the hard-core unemployed.

To quote Malcolm Grover, Safeway's representative to NAB: "Thus far, I'd say that business has performed nobly." Indeed it has, with a total job commitment from business that is nearing 300,000.

SEVENTY CHAINS PLEDGE

Food chains, adds Clarence Adamy, National Association of Food Chains president, have contributed to that performance. Over 70 companies have contacted him with questions about the NAB-run JOBS (Job Opportunities in the Business Sector) program. Among these: National Tea, Borman Food Stores, Hillman's, Stop & Shop, to name only a few.

As well, companies like Acme, Jewel and Supermarkets General Corp. (Cranford, N.J.) have strong programs for hiring and training the hard core. Lucky Stores (San Leandro, Calif.), a late starter, has come up with an ambitious plan to train 200 employes within the next 12 months.

In New York State, a 12-chain consortium has pledged to hire and train 200 disadvantaged, and employ from three to 60 each, depending on company size.

[From the San Francisco Examiner, May 12, 1968]

GOLIATH RESCUING A TOTTERING DAVID

(By Harry Johanesen)

Safeway Stores, a giant of the U.S. retail food industry, is coming to the rescue of a small competitor with its back against the wall in the Hunters Point ghetto.

Safeway's voluntary project, The Examiner learned yesterday, will be to transform the tottering Hunter Point Neighborhood Co-op Supermarket into a profitable operation for benefit of the Co-op.

The store at 6271 Third St. has been a losing proposition ever since it opened in 1965, owned lock, stock and barrel by 2700 low income investors who bought in at $5 a share.

Leonard Batts, president of the Co-op board of directors, said Safeway has entered into an agreement with the board to provide "management consulting services" to the store for the sum of $1.

Translated that means Safeway's strength in the business world and the talents of its top corporate executives are being applied to put the Co-op on a paying basis.

The Safeway undertaking is a significant one nationally because it marks the first all-out effort by a corporation with tremendous know-how to help a losing ghetto business firm.

Other big companies have established branches of their own firms in ghettos elsewhere in the Nation, but have never ventured into a ghetto to assist a going business.

Quentin Reynolds, president of Safeway, confirmed the Co-op agreement and said he has personally inspected the store.

"I'm very enthusiastic about the opportunities for success," Reynolds added. "We feel our people can be of considerable assistance in getting the Co-op back on its feet and operating profitably."

The Safeway president said he could not discuss all the things his company plans to do for the Co-op because a comprehensive study of what needs to be done has not yet been completed.

Another source told The Examiner the Safeway study is an elaborate one consisting of a computerized analysis of the store's entire operation, from management down to every item on the store's shelves.

RESTOCK SHELVES

The store, this source disclosed, will be closed for a week while Safeway task forces supervise alterations inside and outside, restock shelves, move in new equipment and bring the store up to the operating level of one of their own stores—all for $1.

Safeway itself operates a supermarket about 10 blocks away on Williams Street near Third. It is one of nearly 2500 food stores and drug centers here and abroad in which Safeway sales totaled $3.36 billion in 1966.

This contrasts with the Co-op's present dismal position in the business world: no reserve funds, no credit with suppliers and bankruptcy just around the corner.

CHIEF PERSUADER

Just last week, it was learned, the Board of Trade was persuaded to grant the Co-op a 90-day extension on demands for payment of outstanding obligations. Safeway is believed to have been the chief persuader.

John L. Wilks, San Francisco public relations consultant and member of the Co-op, was asked by the board to seek help for the store after it suffered a devastating blow one day last November.

On that ill-starred day, two black gunmen held up the store and fled with $3000 in cash and $9000 worth of checks. The bandits didn't know that they were in a store owned by poor people, the overwhelming majority of them residents of the Bayview-Hunters Point black communities. They thought they were hitting "the man."

EMPTY SHELVES

Insured for only $2000, the Co-op never recovered from the loss and to this day has regained only a fraction of the check losses.

As a consequence, the store had no cash to buy on a day to day basis and shelves throughout the Co-op took on a discouraging gap-toothed appearance as the stock on hand was sold to acquire enough money to at least partially restock.

In his search for a helping hand to keep the Co-op alive, Wilks mentioned the store's dire situation to a friend, Safeway executive Cal Pond.

REYNOLDS' VISIT

Things began to happen after that. Like Reynolds' personal visit to the store one evening several weeks ago, an event that aroused the curiosity of the manager, Louis Valenti.

Valenti struck up a conversation with Reynolds and asked whether he was a new resident of the area who would be trading at the Co-op.

"My name is Reynolds; I work for Safeway," said the visitor.

It didn't strike Valenti until hours later that Reynolds was actually the president of Safeway Stores, but even then he had no idea why Reynolds had come into the store. Now he knows.

Batts expressed the gratitude of his board for Safeway's rescue operation.

"You can't find better technical know-how than Safeway's in the entire food industry," he said. "We should not be making any wrong moves any more."

The Co-op president said his board won't put the entire burden on Safeway.

"We're going to intensify our campaign for new shareholders and work to get the general public to patronize our store," he explained. "We have a convenient location for an awful lot of people."

Batts meant baseball fans traveling to and from Candlestick Park since the store sits at the Third Street corner of Paul Avenue, a turnoff point to Candlestick.

"We're getting into the ball game," he promised.

BENDING THE GUIDELINES

Mr. HUGHES. Mr. President, the Washington Post yesterday carried a very significant and disturbing article about the school desegregation program administered by the Department of Health, Education, and Welfare under title VI of the Civil Rights Act of 1964.

The article describes how the man who reportedly is in line to become the general counsel at the Department of Health, Education, and Welfare believes the Department can relax the school desegregation guidelines without making a public announcement. Perhaps as disturbing as this aspect of the article is the revelation that the guidelines apparently were "bent" recently in order to accept a desegregation plan which, under normal circumstances, would not have been acceptable.

Mr. President, the article by Mr. Peter Milius in yesterday's Post should be "must" reading for Members of Congress and others interested in maintaining the integrity of the title VI school desegregation program. I ask unanimous consent that it be printed in the RECORD, and I urge Senators who may have missed the article take a few minutes to read it.

Needless to say, I hope that Secretary Finch will reject out of hand the proposal made by the man who the Post reports, will be the No. 1 lawyer at HEW.

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

FINCH AIDE URGES EASED GUIDELINES

(By Peter Milius)

The man scheduled to become the No. 1 lawyer in the Department of Health, Education and Welfare has urged Secretary Robert H. Finch to relax the Federal school desegregation guidelines without delay—and without public announcement.

In a memorandum to Finch two weeks ago, Robert C. Mardian, a conservative California Republican already serving unofficially as HEW's general counsel, suggested that a statement be issued "clarifying" the guidelines for HEW civil rights officials.

Mardian told the Secretary that the statement should be issued right away, but "probably should not be the subject of any particular public announcement."

"Should the question arise," he wrote, "we can simply respond that our policy is in accordance with our reading of the (present) guidelines."

Mardian's memorandum, which he handed out to Justice Department civil rights lawyers during a day-long review of Justice-HEW desegregation policies last week has no official standing.

It is another in the long list of conflicting desegregation suggestions that Finch has been getting ever since he took office.

Nor is Mardian's nomination as general counsel official yet. It is a presidential appointment, not yet formally announced and subject to Senate confirmation.

As general counsel Mardian would have considerable influence over HEW desegregation policies. In the past, no school district has had its funds cut off or even been taken into the complicated process that can lead to a cutoff without the general counsel's approval.

If its own lawyer says a suspect school district is complying with the law, HEW is in no position to defend a cutoff if it is taken to court. In effect, Mardian would thus have legal custoday of the guidelines.

The Californian is the first conservative Republican to have found his way into HEW's inner circle since Finch took over. Well-placed HEW sources say he was not Finch's own choice for the job.

Mardian was a special field representative for the Republican National Committee in 10 Western states during the 1964 Goldwater campaign. He was also active in President Nixon's campaign last fall.

His tentative HEW appointment has been used to reassure Southern Republicans uneasy or angry about Finch's continuing cutoffs of Federal funds to recalcitrant Southern school districts.

SOUTHERNERS PLEASED

The State, a newspaper in Columbia, S.C., reported 10 days ago, after a meeting between Southern Republican chairmen and national GOP officials at the White House, that "the Dixie leaders are also pleased with the selection of Robert Mardian of California to be HEW general counsel.

"They consider him to be 'reasonable' in the area of school desegregation."

The main point of Mardian's memo to Finch was that HEW's guidelines go beyond both the 1964 Civil Rights Act, the source of HEW's authority to cut off funds, and the most recent desegregation decisions of the Federal courts.

HEW officials have been telling Southern schoolmen they must desegregate completely by September, 1969, or in special cases, September, 1970, at the latest.

SUGGEST WAYS

The guidelines suggest several ways to achieve complete desegregation. One is "pairing" formerly white and Negro schools. Another is drawing new, geographic attendance zones.

One of the main legal bases for the 1969 and 1970 deadlines is last May's Supreme Court decision in the so-called Green case. In the Green decision, the Court threw out a freedom-of-choice plan because it wasn't working fast enough, and said "the burden on a school board today is to come forward with a plan that promises realistically to work, and promises realistically to work now."

Mardian argued that this does not mean a school district must desegregate now. It simply means, he said, that a district must start desegregating now.

Southerners, Mardian went on, say their main objection to pairing and zoning is that both would require "the teaching of underachievers in the same classroom with overachievers."

He suggested that Finch meet this objection by accepting plans that would let Southern school districts spend a few more years raising Negro achievement levels, and then desegregate.

Mardian told the Secretary he should not rewrite the guidelines because that "would be misinterpreted as a basic retreat by the Department . . . and would damage our over-all enforcement program." He suggested instead that the guidelines quietly be bent.

A good example of how this can be done cropped up last week, in the case of Chester County, Tenn.

Finch issued an order last month, cutting off Chester County's Federal funds effective March 15, two Saturdays ago.

Chester County is just outside Tennessee's Eighth Congressional District, where there will be an election next Tuesday to fill the vacancy left by the death of Rep. Robert A. (Fats) Everett, a Democrat.

Republicans here were anxious not to cut Chester County off on the eve of the election, for fear it would destroy their candidate's chances.

Sen. Howard H. Baker Jr. (R-Tenn.) intervened in Chester County's behalf, County officials showed signs of coming up with a new plan, and Finch, on the final Saturday, gave them an extension through last Thursday.

ORDER RESCINDED

Thursday night, after a long meeting here with Baker and Chester County representatives, Finch accepted the new plan and rescinded his cutoff order.

Two kinds of school districts are generally given until 1970 to desegregate, those with Negro majorities, and those that can't readily desegregate without putting up new buildings.

Only 405 of Chester County's 2131 pupils are Negroes.

HEW civil rights officials maintained that the County could desegregate without putting up a new building, by drawing new attendance zones and sending white children to its one all-Negro school next year.

The County said it had another use in mind for the all-Negro school, and couldn't desegregate without building an addition to one of its presently white schools.

PROMISE EXACTED

Finch, who was under heavy political pressure, came down on the County's side, after getting it to promise to send some white children to "regularly scheduled classes in music and chorus" at the Negro school next year.

The County, which had about $200,000 in Federal funds at stake, will desegregate completely in September, 1970.

The next day The Commercial Appeal, the Memphis newspaper that serves Chester County and most of the Eighth Congressional District, carried a story about the reinstatement.

The story quoted Senator Baker. Finch's decision, he said, was "a clear indication of the direction of the Nixon Administration. It wants to open, not close, the schools."

THE FRUITS OF INDECISION

Mr. MONDALE. Mr. President, many Members of Congress who have followed and supported the school desegregation program carried out under title VI of the Civil Rights Act of 1964 were dismayed by some of the statements attributed to then-candidate Richard Nixon and some of his supporters during last fall's campaign. After the election, however, most of us were willing to give the new administration the benefit of the doubt, believing that the school desegregation program would continue to be administered firmly and fairly as I believe it has been in the past.

Unfortunately, the new administration has not been clear in its intentions with respect to this important program. And its indecision and seemingly contradictory, sometimes confusing statements are causing a predictable reaction. Until the administration—either through the President or the Secretary of Health, Education, and Welfare—makes clear its commitment to this program, without any ifs, ands, or buts, the confusion which abounds today will continue and increase.

Mr. President, an article published recently in the New York Times provides some indication as to how the administration's actions and statements in the area of school desegregation are being interpreted. It is time to put an end to the confusion. I hope the President or Secretary Finch without further delay will issue a statement setting forth this administration's determination to continue to enforce the law consistent with the current court decisions and the existing school desegregation policies for carrying out the title VI compliance program. I ask unanimous consent the Times article be printed in the RECORD.

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

SCHOOL DESEGREGATION OPPONENTS INTENSIFY PRESSURE ON PRESIDENT

(By John Herbers)

WASHINGTON, March 11.—"Dear Mr. President: The South elected you in 1968. The South will defeat you in 1972 if you don't fulfill campaign promises."

This letter to President Nixon from a man in Lakeland, Fla., is evidence of what appears to be a widespread Southern protest against school desegregation.

White citizens, school boards and members of Congress have mounted a campaign to achieve a slowdown of integration for the 1969–70 school year, which the Johnson Administration had fixed as the target date for abolishment of the dual school system in districts receiving Federal funds.

A FLOOD OF LETTERS

President Nixon and Robert H. Finch, Secretary of Health, Education, and Welfare, have received a flood of letters similar to the following from a woman in Elysian Fields, Tex.:

"The South feels that we had a commitment from you guaranteeing true freedom of choice in attending schools. You were elected by conservatives and middle of the roaders. I, myself, was influenced by Senator Strom Thurmond (South Carolina Democrat who campaigned for Mr. Nixon)."

The amount of mail and pressures from Congress, a Government spokesman said, has picked up since U.S. News & World Report carried an interview with Mr. Finch in its issue dated March 10. The interview was widely read in the South and interpreted by many as a new, softer approach to desegregation enforcement.

In it, Mr. Finch said that the desegregation guidelines drawn by the Johnson Administration would be changed to make them "more responsive and realistic in terms of what is happening in education" and to make them "nationally applicable."

RAW PERCENTAGES

"I'm convinced that we just can't work with raw percentages and say, 'You've got to have the same percentages of blacks and whites in every school.' You can go into parts of Chicago and Harlem and Pasadena, Calif., into Washington, D.C., and you find all-black situations.

"It's totally artificial to insist on busing schoolchildren if it may be detrimental to the level of education. The greatest problem we've got in the elementary and secondary schools in the country is not to get so hung up on these other struggles as to let the quality of education in the public school system erode and erode and erode."

The Department of Health, Education and Welfare has been enforcing desegregation under Title VI of the Civil Rights Act of 1964, which bans racial discrimination in any federally assisted program. Enforcement has been largely in the South, where there was a dual school system by law, but recently has been extended to other reigons on a limited basis.

In the South, about 130 districts have foregone Federal funds rather than desegregate, but in the vast majority of Southern districts the department and the Federal courts achieved about 20 per cent desegregation this year, meaning that one-fifth of the Negro students are in formerly all-white schools.

Planning is under way for the 1969–70 school year. Under the Johnson Administration guidelines, department officials had hoped for a considerable increase of integration in faculties and classrooms.

In 1967, the districts were told that they would have until 1969 to complete abolishment of their dual systems.

GEARING FOR A FIGHT

Thus, Southern whites are gearing for a fight. Various statements by Republican officials, one agency aide conceded, have created a great deal of confusion from which the Southerners are drawing hope.

During the campaign, Senator Thurmond assured Southerners that Mr. Nixon would let up on school desegregation.

Mr. Nixon said that he would favor withholding funds from school districts practicing segregation but that the aim would not be to achieve what he considered arbitrary standards of racial balance. He accused the former Education Commissioner, Harold Howe 2d, of setting arbitrary standards.

Since taking office, Mr. Finch has cut off funds of several districts found not to be in compliance with the law and given others additional time to comply. He has insisted that he will enforce the law and the Supreme Court's interpretation of it. Some of his statements drew an angry response from the South.

"What kind of sellout is this to that forgotten American, the taxpayer peasants who put Mr. Nixon in office?," a man in Ellicott City, Md., wrote to Mr. Finch.

Mr. Finch's interview in U.S. News, however, was interpreted by some conservative columnists to the South. It was obvious from a sampling of a mountain of the mail received by the Administration that many people considered the desegregation issue an open one.

Joshua B. Zatman, who heads the information section of the department's office of civil rights, said that in the three years he had been here he had never seen as much mail.

"We have a backlog of 2,000 letters we have not answered," he said.

He said that a number of school boards were appealing to their Congressmen for a slowdown, and that the department was hearing from the Congressmen.

Only a small percentage of the mail requests a speedup of desegregation, Mr. Zatman said. Not all the mail is from the South.

A Kansas City, Mo., woman who worked in Mr. Nixon's campaign wrote:

"President Nixon, you owe the Negro nothing. They did not support you. You were elected on grounds of cleaning up this nation."

COMMENDATION OF WILLIAM R. McCANDLESS

Mr. HARRIS. Mr. President, President Nixon yesterday announced the appointment of a new Federal Co-chairman to replace William R. McCandless who has been Federal Co-chairman of the Ozarks Regional Economic Development Commission for the past 2½ years. While I do not question the President's authority to appoint a replacement for Mr. McCandless, I nonetheless would like to say a few words about the Ozarks Commission, and the outstanding success of the

programs undertaken by the commission under Mr. McCandless' guidance and leadership.

I was a coauthor of title V of the Public Works and Economic Development Act which authorized the establishment of the Ozarks region. I held hearings as a member of the Public Works Committee on the section of the bill dealing with the establishment of the Ozarks Regional Commission, and at that time, emphasized the need for economic development in the underdeveloped areas of eastern Oklahoma, western Arkansas, southwest Missouri, and southeast Kansas. After the Ozarks Commission was established by the Secretary of Commerce, Mr. McCandless was appointed Federal Cochairman and undertook the extremely difficult task of planning for the development of the Ozarks region and coordinating the efforts of local, State, and Federal Government. Under Mr. McCandless' leadership, the Ozarks Commission has embarked on a bold program for the development of this region. We now have in Oklahoma and Arkansas and Missouri initiated a vocational-technical training program second to none. Mr. McCandless felt—and still does—that vocational-technical education is absolutely necessary in order to provide the highly skilled work force demanded by today's modern industries. We now have such an educational program in Oklahoma, and its impact on the accelerated economic growth in our State is unquestioned. Mr. McCandless also recognized the need to bring about coordination of the development in connection with the Arkansas navigation project which will bring navigation to Tulsa, Okla., in 1970. Under his leadership ports and industrial sites have been planned, funded and are under construction which will stimulate industrial growth and create needed private jobs in this historically underdeveloped portion of our State.

I feel that Mr. McCandless is to be commended for his dedicated public service as Federal Cochairman of the Ozarks Regional Economic Development Commission in that he never lost sight of the goals of the Commission to meet and conquer the problems of social and economic deprivation of the Ozarks area. Mr. McCandless in dealing with the chief executives of the States of Oklahoma, Arkansas, Missouri, and Kansas acted in a nonpartisan manner and welcomed the advice and suggestions of public officials on all levels. I feel that Mr. McCandless has performed admirably in his job, in a spirit of cooperation and has contributed admirably to the success of this program. He has paved the way for his successor, and I am hopeful that the programs initiated by the Ozarks Commission in the past 2 years, as well as those that are still on the drawing boards, will be carried forward by the new Federal Cochairman in the same nonpartisan manner so necessary for the ultimate success of the Ozarks regional economic development effort. Once again, I commend Mr. McCandless for a job well done, and I look forward to calling upon him for his advice and counsel in the months and years ahead.

QUESTIONS ABOUT THE SELECTIVE SERVICE SYSTEM

Mr. HATFIELD. Mr. President, at present there are a number of bills before Congress providing for different ways to revise or replace the draft. In the course of the current national debate on this issue, I have been especially interested in hearing the views of our diverse religious communities about the draft. Recently, a statement drawn up by the Council for Christian Social Action of the United Church of Christ was brought to my attention. The statement is a thoughtfully constructed document which raises a number of fundamental ethical and moral questions about the Selective Service System and concludes that the System should be discontinued. I ask unanimous consent that the text of the council's statement be printed in the RECORD.

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

THE SELECTIVE SERVICE SYSTEM

(NOTE.—Statement adopted by the Council for Christian Social Action and approved in principle by the Board for Homeland Ministries and the Council for Church and Ministry. The latter organizations have authorized their officers to join with other instrumentalities in a recommendation that a similar statement be adopted as a pronouncement by the General Synod.)

Recognizing that the Selective Service System raises many issues of justice and of the rights and responsibilities of all citizens, the Council for Christian Social Action adopts the following statement and recommends it for adoption by the Seventh General Synod. The reasoning in this proposal leads to three major conclusions: (1) that we return to our historic policy of voluntary armed forces; (2) that Selective Service be invoked only in times of national emergency so declared by the Congress; and (3) that the Selective Service System be revised to eliminate its many inequities.

I. THEOLOGICAL FOUNDATIONS

The Christian Church, directed by its Lord to seek both peace and justice, knows that both require costly efforts. In the present world, armies and military establishments are one method by which nations seek to protect themselves and fulfill international obligations. Christians hope and work for a world in which old methods of military coercion and threat will give way to more peaceable methods of establishing world order. But so long as nations maintain armies, their ways of doing so raise major issues of justice, which are the concern of the Church.

Any society must find ways of distributing its burdens among its people. Christian faith knows that, whether voluntarily or by necessity, men are members of one another. Scripture and experience lead us to reject any individualism that ignores the responsibility every man has to society and any collectivism that regards persons only as instruments of the society. Government is one method by which society tries to harmonize the demands upon the individual and the securing of his freedoms. A people concerned for justice seeks the best governmental devices for sharing the costs and duties of society, allowing the maximum interaction of personal freedom and social responsibility. In this process the Church has a special responsibility, coming directly from Christ, to champion the poor, victims of prejudice, and all those whom society is likely to ignore or silence. Faithfulness to God and concern for men require us to seek justice for all.

II. THE RESTRICTION OF CONSCRIPTION TO NATIONAL EMERGENCIES

Throughout their history the American people have regarded military conscription as an emergency measure for times of national crisis. Many of the citizens of this nation, emigrating from European countries where conscription was in effect, found one of the evidences of American democratic freedom to be the absence of compulsory military service.

Now the once exceptional practice has become the routine. For more than a quarter of a century (with a hiatus in 1947–1948) the United States has been drafting citizens for military service.

We challenge the use of the draft as normal public policy. We ask for a return to the American tradition which regarded conscription as an emergency device.

We do not here maintain that there should never be a military draft. Conscription has been used in our national history, with overwhelming public approval, as a method of assigning manpower during times of crisis. But we believe that the military draft is not part of a normal way of life, and we concur with those today who think there are better ways of meeting national responsibilities. The only justification for Selective Service is an emergency that requires the exceptional mobilization of the nation's resources and manpower—an emergency to be determined not by executive fiat but through a declaration by the Congress as the major representative voice of the American people.

We offer two reasons for our stand:

1. Military conscription is an infringement on personal freedom, justifiable only in times of national crisis. It is more drastic than governmental appropriation of property; it appropriates the person, not merely his property. It deprives him of the freedom to choose his place and way of earning a living. It subjects him to a system in which his behavior, for obvious reasons, is largely prescribed. It subjects him to risks, sometimes to the virtual certainty of death. It commands him to do things, including the killing of other men, that he may believe to be morally offensive.

To say this is not to pass judgment on men who thoughtfully choose to enter military service. On the contrary, we recognize that those who freely serve in the armed forces have helped to safeguard our own freedom and that of others as well. But conscription (with its implication that men are not likely to serve without compulsion) takes away from the dignity of the conscientious volunteer. It lets society avoid facing its obligation to pay fairly for the service it expects from some.

2. A selective draft is inherently unfair. It requires an immense service, perhaps including death, of some men while leaving others free to choose their own goals and ways of life. We recognize that men have social responsibilities and that society must sometimes impose the fulfillment of those responsibilities. But in the case of the draft the imposition is capricious. Therefore, any selective service system is justifiable only in an emergency democratically determined by the people's representatives.

For these reasons we urge a return to the American tradition in which the draft is the exception rather than the normal procedure.

III. REFORM OF THE PRESENT SELECTIVE SERVICE SYSTEM

When conscription is declared necessary, the Selective Service System should be organized and administered within the framework of principles which are consistent with the theological and historical considerations referred to above.

Among these principles are the following:

1. Every attempt should be made to eliminate the prolonged uncertainty every draft-

eligible young man faces between the ages of 19 and 26. A method should be devised which provides maximum opportunity for the registrant to be free to plan his education and/or career without fear of interruption by immediate induction. The proposal to reverse the present order of call from the induction of the oldest first to the youngest seems to be consistent with this principle.

2. The system of selection should eliminate the recent inequities of the present policy where the final determination varies greatly among local draft boards. We believe that the most equitable method of following the principle is a system of impartial random selection on a national basis.*

A greater degree of uniformity should be provided in the law as to procedures, regulations, and guidelines for classification of registrants. The rationale for the highly decentralized system which puts complete power of determining the draft status of registrants in the hands of local boards is based on the assumption that local boards know the registrants personally. This is wholly unrealistic in today's highly urbanized society.

3. Deferments of students should be limited to eliminate their becoming a means of complete evasion of or exemption from military responsibility.

4. Revision should be made in the present Selective Service System to eliminate from its operation all elements which have the effect of discriminating against those of a particular race or economic class. For example, membership on all local and appeal boards should reflect the economic and ethnic composition of the community and area they serve.

5. Under no circumstances should the draft be used as an instrument for discouraging dissent or protest against the political, social, economic, or military policies of the government, nor should military service be used as punishment for such activities.

6. Deferments of young men because of their occupations should be discontinued.

7. Exemptions of clergy, ministerial and pre-ministerial students should be repealed.

8. Every attempt should be made to revise the Selective Service law to eliminate the many procedural inequities which presently exist.

Specifically, the law should do the following:

(a) Provide for the publication of an informative and readable booklet detailing the legal rights as well as the responsibilities of registrants and the procedures of the system—to be distributed at government expense to all registrants;

(b) Allow the registrant's lawyers to appear with him at a fair hearing on any decision affecting his rights and on any appeal decision. It should give fair notice of the action proposed to be taken at all such hearings; permit counsel to participate fully, to call and examine witnesses and to confront all adverse evidence; and cause a record of the entire proceedings to be made for the purpose of appeal or judicial review;

(c) Provide for legal services (as by a pool of lawyers) to registrants, similar to the public defender system;

(d) Subject decisions of the Selective Service System to scrutiny in judicial review by the normal standards which require that administrative determinations be supported by some substantial evidence in the record to sustain a test of their validity and lawfulness in the courts; and

(e) Permit a registrant to seek such judicial review before being ordered to report for induction. He should not need to wait until the government has either inducted him—possibly wrongly—or charged him with a crime in order to test the validity of the Selective Service determination.

CONCLUSION

The present Selective Service System is in need of drastic revision if even minimum safeguards are to be obtained, not only to protect individual freedom but also to provide for national security. In recognition of this need, we call upon our members, churches, and Conferences to urge the United States Congress to work immediately toward reform of the present Selective Service System along the lines suggested here and to work for the return to our historic policy of voluntary armed forces and toward the abolition of conscription except in times of Congressionally declared national emergency.

*Such was recommended by the National Advisory Commission on Selective Service (Marshall Commission).

THE FAMILY—THE BASIC UNIT OF STABILITY OF SOCIETY

Mr. MONDALE. Mr. President, the basic unit of stability in our society is still the family. The influence of the home, either negative or positive, can be seen in a person as he assumes his role in society. A first step, therefore, in ensuring the responsible growth of an individual is through fortifying the family unit.

In Minneapolis, an innovative program is being conducted with a grant from the Office of Economic Opportunity. The parent and child center is designed to prepare poverty area preschoolers for school. This center, however, is operating on the premise that the family group forms the personality of the child. With this in mind, the project attempts to have programs for everyone in the family.

I ask unanimous consent to have printed in the RECORD an article published in the Minneapolis Tribune which describes how this center is attempting to help the "nonvocal" poor without the discouraging presence of bureaucratic redtape.

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

THIS SOCIAL CENTER TAKES FAMILIES AT THEIR WORD: THEY GET HELP WITHOUT REDTAPE

(By Marilyn Becerra)

Fifteen north Minneapolis families are involved in a radical experiment—a social service agency is taking them at their word.

They don't have to fill out forms in triplicate to get a check.

Mrs. Margaret Douglas, director of the two-month-old Parent and Child Center, said the project, headquartered at 302 Girard Terr. N., is run not by "program directives" but by "feeling."

Home workers and other staff members—even the custodian who spends much of his time in his downstairs workshop building toys for the children—were hired because they possess what she calls "that special feeling" for people.

The project, which has a $175,000 Office of Economic Opportunity (OEO) grant, is a head start for the Headstart program, designed to prepare poverty-area pre-schoolers for school.

There are 36 Parent and Child centers in the United States, each with different types of problems. One is on a South Dakota Indian reservation, one on a Hawaiian island, one in an Alaskan fishing village.

Each center had to choose a number of families who met the required guidelines: A child under 3 years of age and a poverty-level of income.

But Mrs. Douglas chose to push a step further. She decided to help only families that have been shifted from agency to agency to solve their many problems and they compose what she calls the "non-vocal poor."

They are the ones who don't complain, don't demonstrate and thus rarely get the help they need, she said.

So far, 15 families are involved in the program here. Eventually there will be 45. Mrs. Douglas has hired three homeworkers, each one responsible for five families.

She hopes to maintain that low ratio of families to workers so each worker can spend one day a week in each home and so the family members and the workers can get to know and trust one another.

In its first couple of months, the center has not set up all of the formal programs it eventually hopes to offer, but that failure, Mrs. Douglas said, stems from the fact that "we've been too busy dealing with emergencies.

"For example:

They had to get medical attention for a Mexican-American family. The entire family seemed to be afflicted with "a strange kind of worm. We couldn't find a cure at first. But finally we did." Mrs. Douglas said. Now the family members are being tutored. The wife and children spoke no English, the husband only a little.

They got food for an AFDC (Aid to Families With Dependent Children) mother and her children.

They stopped a probation officer from putting one of the fathers in jail because he was an alcoholic. "He's not. He drinks too much sometimes. That's his release. We all have one," Mrs. Douglas said.

The point of the whole program is to help the children but the only way to do that is to help the parents too, Mrs. Douglas said.

She said she doesn't believe in making value or moral judgments about people's lives. The staff accepts the families as they are and tries to help from there.

She's critical of other agencies because often their only interest is in "solving the problem quickly." Often it's not the right solution, especially when it breaks up the family.

Mrs. Douglas believes in the family as a unit—at least she believes in what she called "an old fashioned family," a family that is close-knit, whose members do things together, have trust in and love for one another.

What does that have to do with giving a child a head start for Headstart?

"The family group forms the personality of the child," she said.

That's why the program attempts to have something for everyone in the family—to try to bring them together, Mrs. Douglas said.

There's an after-school program for teenagers and children, sewing instruction for the mothers and "we've done anything to get the fathers interested—card games, things they like to do."

Camping trips and picnics and baseball games (mothers and daughters against fathers and sons) are planned for next summer.

"In most of these families the members function as individuals, not as a group," she said.

What Mrs. Douglas would like to do is show them they can do both.

Under the OEO grant, each family has $600 available for whatever it needs. Once the money is used for food, clothes, furniture, medical bills, the family members have to pay it back by working at $2 an hour at the center.

One of the fathers has proved so helpful he's been hired full-time, Mrs. Douglas said.

To help pay for the recreational activities, the families would like to find a store front on Broadway to sell some of the furniture and canned food that has been donated.

The participating families could purchase

the items by work at the center. Others could buy it "cheap," Mrs. Douglas said.

Mrs. Douglas said she won't judge the success of the program by whether it creates major revolutions. "If a mother who didn't ever wash her dishes starts washing them every day, then we have succeeded," she said.

She discounts the argument that the center is "holding people's hands too much."

"It's like a child going to school. At first he achieves for his parents—then, later for himself," she said.

GOVERNMENT SUBSIDIES FOR RAILROAD PASSENGER SERVICE

Mr. METCALF. Mr. President, articles in Washington newspapers recently said that the railroad industry, through the Association of American Railroads, has announced that it will ask for direct Government subsidies for the operation of passenger service. The subsidies would be used only to "make up the losses on passenger trains the railroads are forced to continue running by the Interstate Commerce Commission," according to one article, and would not support operations which show a profit or break even.

Mr. President, I wholeheartedly endorse consideration of the railroads' request.

The question of Federal subsidy should be considered as a part of a study of transportation policy. If the continued operation of passenger service in certain parts of the Nation is deemed to be vital to the health of the communities served, and if it can be demonstrated that there is an actual loss to the railroad, then perhaps a subsidy is the answer.

The key is full disclosure by the railroad, not only of its claimed losses on passenger service, but of its entire financial structure, nonoperating income, ownership, investments, subsidiary operations, tax benefits, and so forth. Only full disclosure will dispel the confusion that has prevailed over what constitutes an actual loss. The railroads, in requesting Interstate Commerce Commission approval of discontinuances, have claimed losses which have been subject to question. We must reach agreement with the railroads on the assignment of costs and we cannot do that until we have all the facts.

Further, the study of whether or not to subsidize passenger train service should focus on the service itself. Is a subsidy sought by a railroad whose losses occur because the service has been inconvenient, uncomfortable and slow, or is help needed because despite excellent service there is just not enough traffic?

Mr. President, I think that consideration by the Congress of the question of rail passenger subsidies would present an opportunity to the railroads to put their cards on the table so that we can intelligently determine what our policy should be.

THE ABM

Mr. GRIFFIN. Mr. President, I ask unanimous consent that several recent articles and an editorial concerning President Nixon's recommendation for the deployment of a modified version of the Sentinel anti-ballistic-missile defense system be printed in the RECORD.

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

[From the Washington (D.C.) Post, Mar. 21, 1969]

CAPABILITY OF A FIRST STRIKE ADJUDGED REAL RUSSIAN AIM

The unspoken but primary reason for the President's ABM decision was chillingly simple. The review group led by Deputy Secretary of Defense David Packard was driven to conclude that a nuclear "first strike capability" is the real Soviet strategic aim.

In the Pentagon jargon, a "first strike capability" is the power to wreak such complete destruction that the other side is unable to deliver an effective counterstrike. Former Secretary of Defense Robert A. McNamara always used to contend that a true first strike capability could never be achieved by either of the giant powers, because a fearful counterstrike could never be averted.

But Deputy Secretary Packard does not share the brilliant McNamara's highly questionable conviction that Soviet marshals must use computers and measure acceptable damages exactly as he does. Hence Packard judged the Soviet aim, not by theoretical calculations, but by the harder evidence of Soviet actions to date.

The troubling feature of Soviet actions to date is the very heavy, very costly emphasis that is being placed on "counter-force" weapons. These are, quite simply, weapons mainly or exclusively designed to destroy the several components of the U.S. strategic striking force. If you have enough counter-force weapons, and they work, you then have a first strike capability—for there is then no need to fear a counterstrike.

Three main counter-force weapons, each carefully tailored to one of our three types of offensive weapons, are being intensively produced by the Soviets. The first, aimed at our Polaris submarines, is the nuclear-powered and extremely speedy SSN attack submarine. These are being added to the big existing Soviet submarine fleet, numbering above 200, at the rate of at least one a month.

Our Polaris fleet numbers only 41, of which no more than 30 can be continuously at sea. In a few years, a situation can too easily arise in which each of our Polaris submarines will be continuously shadowed by one or more Soviet SSN submarines. If this happens, of course, the Polaris fleet will be largely neutralized.

Oddly enough, the second of the Soviets' counter-force weapons appears to be their equivalent of the Polaris—the submarines of the Yankee type, also nuclear-powered and carrying a nuclear ballistic missile with a range of about 1500 miles. The evidence indicates that these submarines of the Yankee type, which are also coming off the ways at a high rate, are mainly designed to frustrate the FOBS early warning system that now protects our B-52 bases.

They could do this by throwing their missiles from fairly close inshore—say 500 miles. A sudden, simultaneous attack of this sort, aimed at the B-52 bases, would knock out all B-52s not on airborne alert. Thus, FOBS would become nearly useless.

Finally, the very large and continuously growing Soviet panoply of intercontinental ballistic missiles, all nowadays in hardened silos, also has a strong and growing counter-force component. This comprises SS9 missiles. There are already 200 of these outsize ICBSs, carrying triple warheads with a total power of around 25 megatons.

The SS9s are quite clearly designed to destroy our Minutemen missiles, which they are strong enough to do. At the present rate of deployment, the Soviets will have one SS9 warhead per Minuteman in two or three years time. Overall, by 1975, they will have an array of all three of their counter-force weapons quite powerful enough to give them some exceedingly worrying ideas.

Nor is that the end of the story. No counter-force weapon can ever be 100 per cent effective. B-52s on airborn alert will always escape. A few Polarises and Minutemen will always escape, too, however, complete the surprise. But a defensive system, ineffective against a heavy and multiple attack, can be made highly effective by greatly lightening the weight of the attack.

The counter-force weapons, in short, are clearly designed to work in conjunction with the Soviet defensive weapons. These are the vast anti-air defense systems known as Talinin, plus the new ABM system that the Soviets are now deploying.

As to Soviet measurements of acceptable damage after a first strike, it is well to remember Robert Conquest's unchallenged computations. According to Conquest, in peacetime, in the purges of the 30's, Stalin directly or indirectly murdered 20 million people, or rather more than one-tenth of the population of the U.S.S.R.

It can be seen, then, why Packard finally recommended some Sentinel protection for our Minutemen, in order to neutralize at least a part of the counter-force weapons the Soviets are building.

[From the Washington (D.C.) Star, Mar. 15, 1969]

NIXON PUTS SAFETY OF UNITED STATES FIRST

President Nixon has boldly told the world and the peace-at-any-price people in this country he puts the safety of the United States first. At the same time he insisted this is a move for peace—for without our safety there will be no peace.

His decision to go ahead with the deployment of an ABM system, known as the Sentinel, with important changes, announced at yesterday's press conference, he described as a protection of our nuclear deterrent. As such it is designed to prevent, not encourage, war. It will help preserve the peace.

He admitted frankly that the ABM deployment faces a hard fight in Congress—particularly in the Senate. But he expects to win the fight after the issue has been thoroughly debated.

And so Nixon has come to grips firmly with his first major problem in foreign policy. In addition, he showed himself determined to deal equally firmly with the Vietnam war, now being escalated by the Communists of the North and the Viet Cong, Hanoi's front in the South. He told the press that his practice is not to repeat a warning. His warning delivered a week ago was he would take "appropriate" steps. What action he will take in response to the present Communist offensive he declined to reveal at this time, and if he retaliates he will do so without announcing his move in advance. He still believes the Paris talks will be effective and produce peace in the end.

He announced he proposed to deploy the Sentinel ABM not around our cities, as provided in the Lyndon Johnson proposal enacted by Congress last year, but in country areas; that it will be a "phased" system rather than a fixed one, subject to annual review, designed particularly as a defense against a possible Chinese Communist attack during the next ten years, but having its implications for the Russian Communists, too.

In a measure, Nixon has departed from precedent, for the history of the United States since World War I and the days of Woodrow Wilson has been a series of magnificent gestures for world peace. Wilson's League of Nations, though rejected, by a group of hard-nosed members of the Senate, was the first.

In every instance real peace has been blocked by Fascists, Communists, and whatever, down to the present day. This, how-

ever, has not prevented America's search for the most elusive bird in the world—the bird of peace.

President Harding, who followed Wilson in the White House, called the Washington Arms Conference, designed to put an end to wars through the limitation of naval armaments. The strong nations of the world were urged to limit or do away with those naval vessels used for offensive war.

No one who was present at the opening of the Washington Arms Conference will ever forget the moment when Secretary of State Charles Evans Hughes announced the intention of the United States to do away with and to halt building the greatest and most powerful Navy the world has ever seen, as its earnest of peaceful intentions. It was indeed, a magnificent gesture—but doomed in the end to failure. Calvin Coolidge and his Secretary of State, Frank B. Kellogg, did their best too for peaceful international agreements.

Although the German Kaiser passed out of the picture and a National Socialist republic was set up in Germany, the war hounds came to the front again when Adolph Hitler grasped power, overthrowing the government and setting the Germans on another effort to conquer the world. The great depression hit the world, including the United States, and we had other things to think of beside world peace.

We were rudely jolted, along with the rest of the world, when Hitler finally made his move and with air power, panzer divisions and submarines overran Belgium and France and struck terribly at Great Britain.

Franklin D. Roosevelt at Yalta made his plays for peace after war, conceding much to Stalin at that conference and to the Russians when he held back and permitted them to take Berlin.

Harry S. Truman hosted the United Nations conference in San Francisco where the charter was written which was to establish world peace. He later sponsored the Marshall plan under which we poured out billions of dollars to permit the warring nations, both friend and foe to rebuild. And to prevent a third world war Truman refused to let our air forces bomb the Chinese Communists and their supplies beyond the Yalu River in the Korean war.

Gen. Eisenhower was a persistent searcher for peace—and he kept it. He held back, however, from rooting out Castro in Cuba allowing the Communists a foothold in the Western Hemisphere. John F. Kennedy followed suit. Lyndon Johnson sought peace in Vietnam always, although building up our forces there, even to the extent of withdrawing from the presidential race in 1968.

[From the Washington (D.C.) Post, Mar. 21, 1969]

ON HONEYMOONS AND ABM'S

Far be it from us to set ourselves up as marriage counselors to the Nixon Administration and its liberal Democratic opposition. We never had very high hopes for the match in the first place, and that has not just to do with the principals in question, but also with the nature of that strange phenomenon known as the "political honeymoon." For to the extent that political honeymoons actually do exist, they seem to be even more artificially contrived and disaster-prone than the real kind. Moreover—and more important—they aren't really honeymoons at all, being more in the way of political breathing spells, unilaterally declared and unilaterally terminated by a lot of people who have just lost an election and who never did think much of the people who won it.

To be sure, simple decency suggests that it is not cricket to engage a new President in battle while he is still hanging his pictures on the wall. But the honeymoon metaphor, suggesting as it does an arrangement based on mutual consent—not to say on actual romance—can be pushed too far. And in our view, it has been by those most disappointed in the President's decision to deploy a modified version of the Sentinel anti-ballistic missile system. Each day, it seems, a new voice is added to the chorus protesting that the President's gravest error was in deciding the issue in such a way as to force the end of the honeymoon he was enjoying with themselves and with the American people.

We have a lot more respect for the people who are making this argument than we do for the argument itself; it seems to us to represent at once a weakening of their case and a useless diversion from it. In the first place, there is something highly contrived in the assertion. It may well be that Mr. Nixon's political opposition can and will and even should work to keep the ABM issue before the public and to mobilize support for their position. But their decision should not be made to sound such an involuntary, more-in-sorrow response to overwhelming public discontent or to the dashing of their own hopes. It might have been more to the point for Mr. Nixon's critics to suggest that they meant to develop and direct such discontent in a cause they regard as critically important.

Nor do disappointment or disillusionment seem very fitting terms in which to explain their termination of a period of political neutrality. The grounds for both emotions are shaky indeed. Mr. Nixon, during the campaign, professed himself an ardent supporter of the Sentinel deployment and strongly suggested both that the Johnson Administration had been tardy in proposing it and that he viewed it as a judicious first step toward a much larger system. In office, he not only encouraged more open debate on the subject than there had been in the previous Administration, but he also listened to what the debaters were saying. One Democratic President and two Democratic Secretaries of Defense endorsed the Sentinel system for deployment around a number of U.S. cities. Now, a Republican President who was committed to the expansion of that system has taken steps to curtail its originally planned development and to limit its potential for provocation abroad. The critics wished him to abandon the Johnson Administration's project altogether, or to recast it in terms of research and development only. Mr. Nixon did not follow their prescription, but he did take real steps to limit the program and to create the conditions for intelligent oversight of its growth. That hardly seems grounds for divorce.

There is much that is tenuous and arguable and also ill-considered in the Administration's explanation of what its modified Sentinel program is about. As the Administration is called upon to make its case before Congress and elsewhere in the coming days and weeks, all this is likely to present itself to view. But those who have set about opposing the President's decision will never be able to do so effectively so long as they are disposed to disregard the meaning of that decision in terms of the choices available to the President, the actual import of the one he made, and the direction in which it is likely to take us.

CRIME IN WASHINGTON

Mr. FANNIN. Mr. President, I ask unanimous consent that there be printed in the RECORD the March 21 and March 24 Washington Daily News "Crime Clock." I again invite attention to the fact that most of these crimes involve the use of firearms.

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

CRIME CLOCK

Here is The Washington Daily News tally of robberies and crimes of violence—many of them accomplished with guns—reported in the District of Columbia in the 24-hour period ending at 8 a.m. today, March 21, 1969.

10 a.m.: Ann Sweeney, 37, white, a cashier-clerk at Catholic University said a Negro man came to the cashier's window, and after asking whether he could cash a check, pulled a note from his pocket. The note said, "This is a holdup, give me the money and no one will get hurt," and the man escaped with $1,524 in cash.

2:35 p.m.: James Fitzpatrick, 70, white, was in the hallway of 2804 14th-st nw, when a Negro gunman placed a pistol in his back and demanded money. The bandit took $165.

2:45 p.m.: James Brewster, 19, Negro, of Northeast, a clerk in the Safeway store at 3220 Pennsylvania-av se, said a Negro man, who had several items with him in the check-out line, pulled a gun and said, "Put it all in the bag." He got an unknown amount of cash.

3:40 p.m.: Akel Feriozi, white, of McLean, owner of the Capitol Shoe Store, 1415 U-st nw, was robbed of $40 at gunpoint by two Negro holdupmen.

7:20 p.m.: Betty Settles, 30, Negro, clerk at a High's store at 80 Upshur-st nw, was held up by two armed Negro bandits, who got an unknown amount of money.

8:50 p.m.: John Torreulla, 21, Negro, attendant at the Chevron gas station, 4925 South Dakota-av ne, lost an undetermined amount of money to a lone Negro bandit, carrying an automatic pistol.

8:55 p.m.: Roy Bowling, 30, white, manager of a Safeway at 1730 Hamlin-st ne, said three Negroes, all armed with pistols took an undetermined amount of money from the store.

CRIME CLOCK

Here is The Washington Daily News tally of robberies and crimes of violence—many of them accomplished with guns—reported in the District of Columbia in the 24-hour period ending at 8 a.m. today.

6:45 p.m.—David Scott, 13, Negro, was at 15th and K streets ne when he was grabbed by a group of Negro youths, knocked to the ground and robbed of 25 cents.

9:45 p.m.—Allbertine Vasquez, 27, white, was at Ninth and Farragut streets nw when five Negroe teen-agers grabbed her purse containing $5.

9:45 p.m.—Ella Grayson, 42, Negro, was beaten and robbed by a Negro at the intersection of 14th and Harvard streets nw. He took her purse.

10:00 p.m.—Mrs. Lillie Peterson, 51, Negro, was robbed of $300 in the parking lot at 301 Rhode Island-av nw by two Negro men, one of whom had his hand in his pocket as if he had a gun.

10:05 p.m.—Ella Robinson, 46, Negro, was shot four times in the left side at 912 12th-st ne by an unknown Negro man.

12:00 midnight—Andrew Treadwell, 49, Negro, was near his 11th-st nw home when three Negro men beat him and took his watch and wallet containing $60.

12:15 a.m.—Carlos E. Chavez and Eric R. Rivas, both white, were walking at Georgia and Farragut avenues nw when they were stopped by three Negroes, one armed with a gun, and robbed of $15.

12:45 a.m.—LaVerne Jones, 18, a clerk at a sandwich shop at 3010 Georgia-av nw was robbed of $50 by two Negroes, one armed with a sawed-off shotgun.

1:35 a.m.—Curtis Roberts, 27, Negro, was at the Union Grill, 6th and G streets nw when he was robbed by three Negro women, one armed with a gun, of $75.

3:00 a.m.—James F. Boggs, 24, white, of Arlington, was sitting in his car in the 1600 block of 17th-st nw when four Negro men opened the door and punched him in the face and took his wallet containing personal papers and $1.

MOST YOUNG AMERICANS HAVE WHOLESOME VALUES—RALLY IN MIAMI IS LAUDED—VOICE OF DEMOCRACY WINNER IS PRAISED—NEW MOVEMENT NEEDED

Mr. RANDOLPH. Mr. President, it was with genuine delight that I read in the Washington Post today of the rally in Miami, Fla., that attracted 30,000 young people to crusade for decency in entertainment.

Under the leadership of Mike Levesque, a 17-year-old Miami high school student, the rally was a strong protest against the obscene and the vulgar that some misguided individuals would try to make a dominant part of the teenage culture. The outpouring at Miami was strong evidence that a large number of our young people believe their lives can be meaningful and their leisure entertaining without crude obscenity.

It is far too infrequently that we hear of this kind of protest against the popular notion that today's youth consists solely of drug-taking anarchists. In fact, Mr. President, I am convinced that the opposite is the truth and the outpouring of this recent protest gives expression to what is really in the hearts of the vast majority of our young citizens.

Most of our youth accept the decent, wholesome values that are at the foundation of our American way of life and are repelled by the antics of some of their contemporaries. This wholesomeness of the majority needs to surface into full public view, and I sense on college campuses a growing mood to counterbalance the disruptive tactics of the minority by a more vigorous expression of the feelings of the majority.

I only hope that they will be given an equal opportunity to tell their story.

Such is not always the case. Only a month ago I was privileged to be one of 2,400 people attending a banquet of the Veterans of Foreign Wars and heard a moving address by Miss Debra D. George, of Wyoming, who is this year's winner of the VFW Voice of Democracy Contest. Miss George expressed what I believe comes close to being the true feelings of most of America's young people. But the next day I could not find a single report of the words of this admirable young lady in any of the news media.

It is time that the majority had its say, and I believe that what it has to say will prove to be reassuring about our youth. The rally of 30,000 young men and young women and teenagers in the cause of decency should be just the first step in a new movement that I hope will sweep the Nation.

FOREIGN TRADE ZONES

Mr. MUSKIE. Mr. President, I would like to call the attention of the Senate to an article by Mr. Stephen M. Aug in the Washington Star, Sunday, March 9, 1969. The article, "Foreign Trade Zones Spark Lively Controversy," presents an unbiased and highly informative account of the purpose and history of foreign trade zones. It is especially useful for the light it sheds on the controversy over the proposed foreign trade zone at Machiasport, Maine.

Mr. Aug's article is a fine example of balanced reporting. I commend it to any Senator who would increase his understanding of the issue.

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

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

FOREIGN TRADE ZONES SPARK LIVELY CONTROVERSY

(By Stephen M. Aug)

This country's business map is dotted with small business enclaves which have a peculiar status in the trading world. They are known as "foreign trade zones" and a new one is currently the center of one of the liveliest controversies in years.

These little Hong Kongs—they aren't new, as a matter of fact they date back to 1937—work something like this:

In one in Toledo, Ohio, a businessman imports foreign trucks and turns them into campers for sale in the U.S. He uses American labor and parts, and the conversion from trucks to passenger vehicles allows him to import at lower duties: 5 percent for passenger cars as opposed to 25 percent for trucks. He also reduces gold outflow by doing the conversion here rather than ordering from abroad.

In New York a pharmaceutical firm imports raw materials—mostly chemicals—and makes pharmaceutical products. It then exports these with a respected "Made in USA" label. Thus, it pays no import taxes and can compete more effectively with foreign drug firms in foreign markets. At the same time it uses American labor, some domestic materials, and standard U.S. quality control.

A growing number of American businesses—more than 1,000 last year—are utilizing these zones. They are scattered over seven cities. Only when the goods move from the zone—generally a fenced-in area which includes warehouses and frequently factories—into the U.S. proper is duty charged.

THEY'RE INTERNATIONAL

Such zones offer the advantages of U.S.-based operations, and at the same time many advantages usually credited to overseas locations.

Among the advantages are:

Manufacturing here for export items which include foreign materials which otherwise would be subject to import taxes or quota restrictions.

Reducing the outflow of gold because raw materials are imported rather than finished goods, and domestic labor can produce the finished product.

Lower customs duties on goods produced in the zone. This can result from lower duties on parts rather than higher duties on finished products.

There are such zones all over the world—but in this country they were made possible under a 1934 law. The first was set up in 1937 in New York City, and still is operating. Others are at New Orleans, San Francisco, Seattle, Toledo, Honolulu and Mayaguez, P.R. Zones have been authorized also for Bay County, Michigan; Bayonne, N.J., and subzones at Taft, La., and New Orleans.

Each zone must be approved by the Commerce Department's Foreign Trade Zone Board—perhaps the government's smallest regulatory agency. The three-member board consists of the Secretary of Commerce, who is chairman, and secretaries of the Treasury and Army.

Applications are pending for new zones or subzones at Portland and Machiasport, Maine; Honolulu and Savannah, Ga. The Honolulu, Savannah and Machiasport installations would include oil processing facilities as a way of circumventing oil import quotas.

The use of these zones has increased slowly over the years—but they had not aroused much controversy until last September when Maine applied to the board for a new zone at Portland. Included would be a subzone at Machiasport, a small southeastern Maine community that achieved a moment of fame in 1775 when a British ship was captured nearby in what is considered the first naval battle of the American Revolution.

The latest war, however, is with the major oil companies. For Maine has an agreement with Occidental Petroleum Corp. to place a $145 million refinery at Machiasport capable of producing 300,000 barrels of petroleum products, gasoline and heating oil daily. It would be the first trade zone in this country to have an oil refinery—and Occidental's only U.S. refinery.

The major oil producers have mounted a sufficiently powerful campaign not only to stop immediate consideration of the zone by the board, but also to force President Nixon to announce a full White House review of oil import policies. The President last month also took from the Interior Department direct control over oil import policies until completion of the study.

The Occidental plan is a source of grief to the oil companies for principally two reasons:

The companies believe that if the zone is approved others will follow. The result, they fear, will be to wreck the present oil import quota policy. At least one estimate has it that imported oil is a source of about $500 million worth of additional profits to the oil industry annually.

The major companies serving New England feel Occidental may cut prices so low on the products it refines at Machiasport as to make their marketing problems immense. Occidental has promised a 10 percent lower price on heating oil. One oil industry source estimates the New England petroleum market at about 300,000 barrels of products a day into which Occidental would pump at least 100,000 from Machiasport. The same source estimates the market to be worth $15 million daily in gross receipts.

REAL PROBLEMS

Both problems could be very real. Most major companies remember that Hess Oil and Chemical Co. has a quota for only 15,000 barrels a day from its Virgin Islands refinery—the islands are essentially a free trade zone. Some of these products are sold here at prices much lower than those of major companies.

Further, the Steuart Petroleum Co. wants to establish a zone at Piney Point, Md., for a $40 million refinery. This would produce, among other things, low sulphur-content oil for power plants. Low sulphur oil does not pollute the air when burned as much as high sulphur oil—and federal standards now require oil to be desulphurized. The cost of this process is about 40 cents a barrel.

The Steuart facility would refine a low-grade oil into a so-called residual oil, which is used for power plants and heating large buildings. Residual oil—the finished product—may be imported on a consumption basis, virtually with no quota. But the crude from which it is made requires a quota. Since residual oil is too inexpensive to justify carrying it great distances it is generally unloaded close to where it is consumed.

Any oil that is produced domestically must be transported in U.S. flag vessels. Such transportation charges are considerably higher than for transportation in foreign vessels.

As a result, dealers like Steuart, forced to seek lower-priced desulphurized oil, are soon going to be hard put to compete with new foreign refineries being built close by. One, a 300,000-barrel-a-day facility, is being built by New England Refining Co. at Freeport in the Bahama Islands.

New England Refining has already begun soliciting business for its low-sulphur Libyan residual oil among domestic consumers along the East Coast. Those solicited include Po-

tomac Electric Power Co. which consumes about one million barrels a year.

Proponents of the foreign trade zone idea for oil refineries list two supporting reasons:

National security. If foreign oil sources were suddenly shut off—as they were briefly during the 1967 Arab-Israeli war—the nation would have added refinery capacity to process domestic crude oil.

Balance of payments. The zones would not import all of their oil into this country, but would process some of it for export using U.S. labor. Further, there would be less need to import finished petroleum products.

NEEDS REFINERY

Maine says it needs the Machiasport refinery because there are no refineries in New England. As a result fuel costs—for both electric power plants and home heating—are high. One effect is that industry has not located in New England because it doesn't want to pay high electric power costs.

The Gulf Oil Corp. which has about 8 percent of the New England market, has been one of the most vocal opponents. It contends that sending oil from Machiasport to Providence, R.I., for example, would cost as much as sending oil from existing Gulf refineries at New York and Philadelphia to Providence, and therefore Occidental could not serve New England any more economically than could Gulf.

Gulf contends also that prices dealers pay in New England for home heating oil have been lower than the U.S. average five out of the past six years—they were higher in 1968. But consumer prices have consistently been higher than the U.S. average at least since 1961. In 1968 they were about 6 percent higher.

The price of home heating oil is vital in New England where winters are cold and long. Occidental's output would include 90,000 barrels of heating oil daily and 10,000 of gasoline.

The proponents of the project also contend that having the trade zone at Machiasport could open the way for industrial development by providing a convenient source of low-sulphur fuel for new electric plants and factories.

For its part, Occidental needs a refinery in this country as well as a hefty import quota if it is to market here its big find of very low sulphur content oil in the Libyan desert.

Occidental's problem, therefore, is a product without a U.S. market—unless it sells the oil to another producer. It has two refineries in Germany and one in Belgium producing a total of 100,000 barrels a day.

Under the complicated system of oil import quotas in this country, any refinery is entitled to import 19.5 percent of the first 10,000 barrels of its refinery capacity, 11 percent of the next 20,000, 7 percent of the next 70,000 and 3 percent of everything over 100,000. On this basis Occidental's quota would be 15,050 barrels a day. That's not much to keep a 300,000 barrel-a-day plant going. Additional crude oil would have to be bought domestically.

TWO QUOTA TYPES

Under the trade zone proposal, Occidental would seek Interior Department permission to import 100,000 barrels a day from the zone into New England. Of the other 200,000 barrels, about 110,000 would be refined and exported to foreign markets and 90,000 barrels of residual oil would go to satellite power plants and other factories which could process it into chemicals.

Under present policies there are two types of quotas: one for crude oil and one for finished products such as gasoline, kerosene, jet fuel and the like. Residual oil may be imported on the basis of consumption.

Gulf, for example, imports 40,000 barrels a day of crude and unfinished products and 1,900 barrels of finished products.

East of the Rocky Mountains about 122 companies share in what amounts to a quota of about 600,000 barrels of crude a day. The Machiasport plant would consume 100,000 barrels of this which would have to come out of everybody else's quota. This assumes the Interior Department would approve the 100,000-barrel requested quota which some say is unlikely.

The loss of 100,000 barrels a day from the import quota would mean the loss of about $45.6 million a year to other companies. That's figured on $1.25 a barrel—the price differential by which domestic crude is that much more costly than foreign crude.

The reasons for the higher cost include more expensive transportation for domestic oil in U.S. ships, state restrictions on well flow, and the vast number of wells dotting U.S. oilfields. Middle eastern fields have fewer wells that flow at greater levels.

Last year, according to the Independent Petroleum Association of America, oil imports, mostly on the East Coast, totaled 463,550,000 barrels of crude. At $1.25 a barrel that's a $579,437,500 saving for the oil companies over the cost of domestic oil.

ADDRESS DELIVERED BY HON. DAVID S. BLACK

Mr. MUSKIE. Mr. President, Mr. David S. Black, former Under Secretary of Interior, recently addressed the convention of the Soap and Detergent Association on the necessary partnership between Government and industry in the control of water pollution. It is an excellent speech and I commend it to my colleagues.

Mr. Black comments:

Expediency and short-range economics often have the upper hand over reasoned and rational deliberation of values, alternatives, and consequences.

This is a particularly timely point in light of the consequences of the Government's decision to grant oil drilling leases in the Santa Barbara Channel.

It must be the duty of the Government to assure that a proper balance among conflicting values is maintained, but the job of Government will be easier if the industrial community exerts responsible control over itself.

I ask unanimous consent that the text of Mr. Black's speech be printed in the RECORD at this point.

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

REMARKS OF HON. DAVID S. BLACK, FORMER UNDER SECRETARY OF INTERIOR, AT THE SOAP AND DETERGENT ASSOCIATION CONVENTION, NEW YORK CITY, JANUARY 23, 1969

I don't know if the invitation to address this meeting (which I received prior to the election) was extended on condition that when January 23rd rolled around I would still be Under Secretary of the Interior. And I haven't inquired. I can assure you that it was my desire to appear in that capacity. But, I was deprived of my title through the conspiracy of an obscure group of individuals known as the Electoral College. I suppose I should have demonstrated the good grace to step aside and make room on the program for someone whose views might still influence the Federal water pollution control program. But for some reason my speaking invitations fell off rather sharply along about the second week in November, and I decided I'd try to hold onto this one.

As Under Secretary I have been keenly interested in Interior's vastly important water pollution control program. I have worked with Charlie Bueltman in connection with the Joint Task Force on Eutrophication. I have become increasingly aware of the responsible efforts by the Soap and Detergent Association and its member companies in the battle against pollution of our Nation's rivers and lakes. You are to be commended for the progress you have made and for the social responsibility you have acknowledged and assumed. President Johnson several months ago directed each department to prepare thorough briefing materials for use of a new administration. As a prime example of the value of Interior-Industry cooperation we pointed out in the briefing books to be used by the new Secretary the work of the Joint Task Force, with the hope that this relationship will be continued and strengthened.

Your cooperation with the Interior Department and your continued research efforts are vital if Interior is to succeed in its mission to preserve and enhance our natural environment. As you know, Interior is, essentially, the Department of Natural Resources, and during the past several years under Stewart Udall's leadership we have brought about, I think, a whole new understanding and philosophy of conservation in America. It emphasizes the *total* environment and the interrelationship of all the pieces that make it up and that are affected by it.

But success for this growing determination to preserve the quality of life available to the American public is not assured. Our personal health, security and well-being are increasingly dependent upon the decisions of the men and the institutions which are the custodians of our technology. This is a technology which even today is capable of poisoning our environment from the ionosphere to the depths of the oceans. We are faced in many cases with seemingly irreconcilable conflicts between technological and economic progress on the one hand and the interests of preserving the integrity of our habitat on the other.

These conflicts have sharp focus in Interior's relationships with the private economic interests whose responsibilities in one manner or another impinge upon and in one degree or another adversely affect the nation's resources which the Secretary is entrusted to protect. The mining industry, the power industry, the timber industry, the petroleum industry, the real estate developers, the manufacturers of soap and detergents. Members of all of these industries show responsibility, social conscience and statesmanship. And some of them do not. Expediency and short-range economies often have the upper hand over reasoned, and rational deliberation of values, alternatives and consequences.

We see the results daily: In worship of the automobile and in the name of progress we rip corridors through our cities, parks and wilderness. To increase the productivity of the land, we aimlessly proliferate the use of pesticides and chemicals without knowing the consequences. In a single generation our quest for prosperity and industrialization has left barren and dead rivers and lakes that previously served the needs of man for countless generations.

Ironically, this same technology, along with the population explosion, has changed our whole pattern of life. More leisure time and increased spending power have brought a dramatic escalation in outdoor recreation and travel. More and more people have, therefore, reached a direct confrontation with the grim realities of vanishing open space, streams without fish, forbidden beaches—all beneath the cloud of a sulfurous atmosphere.

If we are to halt man's headlong race to extinction all facets of our modern society which have an effect on the environment must undertake a continuing long-range assessment of the technology which has built that society. Some of this is taking place. There has been, in the past few years, a

marked growth in industry of an environmental conscience. The modern industrialist, whose predecessors regarded pollution as a necessary concomitant of profits and beyond their responsibility, is becoming increasingly alert to the virtues of pollution control and abatement.

Growing support in the board rooms of the Nation's great corporations for better environmental management is especially evident with respect to water pollution control. We see a greater realization in the industrial world that there is a distinct relationship between water pollution control and economic progress. The main concern has long been the simple, direct cost of controlling pollution. But now there is evidence of a new appreciation that in the end, pollution itself can cost far more than its control. As a nation so dependent upon water we are coming to realize that along with its many other and manifest drawbacks, uncontrolled pollution, from whatever source, is simply false economy.

It is a hopeful sign that business and government are moving in the same direction of solving social and environmental problems perhaps for different but equally important reasons.

Your soap and detergent industry is a very good example of the increasing environmental concern and social awareness of industry. Your manufacturers became concerned in the 1950's with foaming effects on surface waters of their products. So you launched a program to discover a substitute. You were successful, and voluntarily 100 per cent of the industry replaced that ingredient which caused the problem. You spent millions of dollars for the protection of the environment.

One of the toughest current pollution problems which we currently confront is eutrophication. Man-made nutrients—phosphates and nitrates—from municipal sewage, land runoff, fertilizers, detergents and other products, are pouring into our lakes and speeding up the process of aging so that rich water sources are prematurely lost to our use. Again, your industry is taking a progressive, responsible approach in a quest for a solution to the problem.

A task force was set up last year by the Soap and Detergent people, their suppliers and the Department of the Interior to investigate the problem and work together towards solutions. The fertilizer industry and the Department of Agriculture have joined the task force, and the Corps of Engineers is an ex officio member. Together we have worked out significant steps toward understanding and controlling eutrophication.

A eutrophication information center has been set up to store and evaluate information on this scientific phenomenon. To assist this effort a provisional procedure has been devised to measure the algae growth potential of various chemicals and water. The project is experimental at this stage, but findings are being confirmed in laboratories and in the field. It is a significant step toward identifying those effects that man's activities will have on his environment.

Perhaps one of the most important accomplishments of the Joint Task Force is improved communications between industry and government. We are sitting down, sharing information, and seeking answers together as equal partners. I think this is an important key to effective management of the quality of our environment.

Better communications and such joint action as this will be essential to solution of other pollution problems; pesticides use and disposal, salinity buildups from agriculture return flows, animal feedlot wastes disposal, thermal pollution from electric power plants, oil pollution, silt and erosion from construction sites and farming activities.

All this that we have seen on the water pollution front in the last few years—the development of water quality standards, the research, the construction of needed waste treatment works, the enforcement actions, the cleanup on federal installations and the new sense of corporate responsibility and joint action with government—all of these things I count as pollution control successes. But we've experienced failures, too. The greatest of these, I think, is the clean water legislation of last year. It was critically needed then—even more so now—and it failed of enactment by Congress, even with total floor support in the Senate and the House.

Different versions of that bill—the Water Quality Improvement Act of 1968—passed both the Senate and the House but the differences were not worked out in the last hours in the 90th Congress and the legislation died. Had it been enacted it would have provided the necessary funds to meet the construction schedule for critically needed waste treatment plants and the means to control pollution from oil and other hazardous substances. It would have stopped pollution from ships, added funds for research into acid mine drainage and lake eutrophication; and made it mandatory that Federal agencies assure that installations built under their licenses be equipped so as to prevent pollution, particularly thermal pollution.

It was a tragedy when this bill failed to pass. All the features that I've mentioned are essential, but if I may single one out as being particularly critical, I would point to the provision for funding of waste treatment plant construction. Interior has required each State to guarantee that municipalities will have secondary treatment in operation within the next five years. To do this will require staggering sums of money. But many of the States have already raised their matching share, and, indeed, a number of them are prefinancing the Federal portion. And yet the Federal Government, which imposed this requirement, has not kept its side of the bargain. The new Congress *must* provide the means for the Interior Department to keep faith and meet its obligations. I would urge your help as well as that of responsible industry throughout the country in seeking Congressional action on this vital legislation as early as possible in the new session.

I have mentioned waste treatment, and I would also like to point out one additional situation that I know would be of interest to you. Many of you are aware that the Lake Michigan and Lake Erie Enforcement Conferences have adopted a requirement that all communities discharging wastes into those lakes must remove at least 80 percent of the phosphates. I am told that this is both practical and economically feasible. This requirement should be extended to most of the lakes and many of the rivers in our country during the next few years. It is a weapon eutrophication. Your investigation into posthat we have today with which we can fight sible substitutes for phosphates can greatly assist this effort.

Earlier this year, in a message to Congress, President Johnson declared:

"Today, the crisis of conservation is no longer quiet. Relentless and insistent, it has surged into a crisis of choice.

"Man—who has lived so long in harmony with nature—is now struggling to preserve its bounty.

"Man who developed technology to serve him—is now racing to prevent wastes from endangering his very existence.

"Our environment can sustain our growth and nourish our future. Or it can overwhelm us."

This theme of concern with total environment, to an ever increasing degree, has emerged through this decade as the central necessity of a modern conservation movement. No longer can we concentrate solely on the protection of one facet of Nature's gifts—whether that single focus be on forests, or wildlife, or soil, or water. We now see all of these as interrelated in a matrix that involves many disciplines, many industries, and a wide span of our whole social and economic structure.

The pesticide that controls forest insects may also destroy other useful forms of life, a stream impoundment that checks floods and conserves water may alter downstream temperatures or estuarine salinity to the detriment of fish habitat. If we reject a dam project to preserve a scenic valley in favor of thermal power generation, the resulting air pollution may threaten an even wider area.

These are the complex issues that give meaning to the President's description: a "Crisis of Choice" is indeed with us. A conservation program for this era of technology and population concentration must address itself to the total ecological balance that nature provides—and most particularly to man's impact upon it.

Unlike the early mission of conservation pioneers, the current task is not restricted to the outdoorsman, the naturalist, the forester or the field engineer. In fact, the major part of the job is now focused elsewhere.

The big decisions will come from our legislative halls, courthouses and corporate board rooms. Answers to major problems will be found in laboratories as often as on a wooded hillside.

Congressman Emilio Q. Daddario of Connecticut has written a very penetrating article in the July *George Washington Law Review* entitled "Technology Assessment—A Legislative View". He pleads for a new concept of long-range advance assessment of the technology which more and more controls our destiny and this is the thought I would like to leave with you—an industry which can and does indeed have a significant environmental impact.

"The need", writes Mr. Daddario, "is to find out how, why and what we—humans—are doing to the natural rhythms of earth and to the life and environment upon it . . . What apparently is happening is that man, through his cunning and acquisitiveness, his desire for comfort and security—and through the technology he has developed to help meet these ends—has engendered the capability to telescope nature, to alter it, to foreshorten it, to accelerate its natural cycles—and very possibly to destroy many of its life supporting characteristics."

He goes on to say that "Historically, assessment [of our technology] has usually occurred well after the technology was introduced and when undesirable consequences had reached serious proportions. For example, the intensive cultivation of grasslands in the Great Plains precipitated the duststorms and erosion during the drought of the 1930's. As a result, studies showed the way to corrective action through windbreaks and other soil conservation measures—too late to prevent hardships to the farmers involved.

"Frequently, the call for assessment has come from inspired social critics and writers. This was the case with environmental and human health hazards from pesticides. Rachel Carson's *Silent Spring* brought the realization of how quickly we had accepted the pest control properties of certain chemicals without questioning what the consequences of their widespread dissemination might be to valuable insects, fish and wildlife.

"Countless times a radical change was made to a locality or region prior to any assessment of all potential consequences. Invariably, some adverse condition arose which took time and effort to combat. . . .

"Many unwanted consequences have been labeled as the price of progress. But even in a nation as affluent as ours, these prices all at once seem too high. And at the same time, mature reflection suggests that the price need not have been paid at all if a thorough understanding had been gained of what was happening in the ecological system at an earlier date."

Your industry has shown itself to be progressive and forward looking in terms of the effect your products have on the Nation's lakes and streams. But as population spirals upward and as ever more new products competing in the market place find their way into our homes and industries and—inevitably—into our waters—the need for greater advance knowledge of their impact becomes critical.

So let me plead that your efforts in this direction be intensified and you as an industry will contribute importantly to the preservation of our earth.

WORK RECORD REFUTES ALLEGED INACTIVITY OF CONGRESS

Mr. RANDOLPH. Mr. President, the Congress of the United States often appears to be sluggish and slow moving when viewed from the outside without a knowledge of its methods. Those occasions when there are not many Senators on the floor engaged in debate and voting may give the impression that the lawmaking process has ground to a standstill and the Senators are away from their jobs.

Those familiar with the mechanics of Government know, however, that action on the floor is only the very important end product of long hours, days, and weeks of preparation. The analogy of an iceberg being only one-seventh visible above the water has been used to illustrate many situations, but it is particularly applicable to the procedures by which the Congress does its work.

There have been allegations recently that the 91st Congress has been derelict in its duties since it was convened in January. This charge is inaccurate.

A new Congress, such as we have this year, means reorganization of the Senate and frequently new assignments for its Members. In addition, we have now a new administration in the executive branch of Government, and the Senate committees have spent considerable time examining the appointees of the new President in confirmation hearings.

If, indeed, there has been little visible action by the Senate, work within the committees has been copious and has constituted the less conspicuous six-sevenths of the iceberg. The 16 standing committees of the Senate have already spent approximately 550 hours in executive session meetings and in hearings to consider both pending legislation and nominees of the President.

A variety of topics has come before the Committee on Public Works, of which I am chairman. At this still early point in the year, members have spent 60 hours in meetings on such diverse matters as presidential nominations, air pollution, equal employment opportunities, flood control and economic development as embodied in the Appalachian Regional Commission and other regional development bodies.

The Subcommittee on Labor, on which I also serve, has devoted 22¼ hours in the past 3 weeks to public hearings on proposals to strengthen Federal laws protecting the Nation's coal miners. This is legislation of life and death importance to thousands of men in my own State and will receive considerably more close attention before it is refined and sent to a final vote in the Senate.

And the Committee on Foreign Relations has conducted hearings for more than 125 hours on the vital business of American affairs abroad.

All of these formal committee meetings in which Senators have participated are in addition to countless informal discussions and conferences, including those with constituent groups, that have been held and which are an important and indispensable part of the legislative process.

So, it is inaccurate to speak of the Congress as having been inactive. The mechanics of making the laws under which we live is a complex and time-consuming process, and it is one which demands a large amount of unglamorous background work.

The efforts in the Senate in which we are now engaged, and in the House of Representatives as well, will flower in profusion in the weeks ahead but only because the Congress is hard at work now.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded, and, in accordance with the previous order, the Senator from Montana is recognized for 20 minutes.

A PACIFIC PERSPECTIVE

Mr. MANSFIELD. Mr. President, on March 20 the distinguished assistant majority leader, the senior Senator from Massachusetts (Mr. KENNEDY), made a speech in which he discussed a new China initiative, or a new China policy on the part of the United States.

It is my belief that the distinguished Senator made a real contribution in opening up the question of China, pulling it out of the sawdust bin, so to speak, and laying before the American public his views on what might be done in regard to that particular country.

Mr. President, China cannot be obliterated by blacking it out on the map or by trying to make believe that it does not exist; because it does exist. It is one of the great powers. It is the great power on the Asian continent.

The Senator from Massachusetts (Mr. KENNEDY), made some suggestions as to what our relations with China should be. On March 10, I had some suggestions of my own to make in a speech at the Alfred M. Landon Lecture Series at the Kansas State University, Manhattan, Kans. My views are somewhat different from those expressed by the assistant majority leader.

Therefore, I ask unanimous consent that that part of my speech at the Kansas State University which discusses China—and incidentally, may I say, Japan, Indonesia, and the Philippines were also discussed—be printed at this point in the RECORD, and that following it, the speech by the distinguished senior Senator from Massachusetts (Mr. KENNEDY), be printed in the RECORD in toto.

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

EXCERPT FROM LECTURE OF SENATOR MANSFIELD

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I have talked of several facets of the situation in an effort to place the needs of our Asian policies in clearer perspective; of the distinction between a Pacific power which we have no choice but to be and an Asian power which we can and should choose not to be; of our military relations with Japan and the heat which is rising from the issues of the bases, Okinawa, and the overall Japanese role in the security of the Western Pacific; and, finally, of economic development in the Asian countries and the possibilities of cooperative aid. There are several other related questions which need to be touched on to complete this discussion. One concerns our relations with mainland China.

Strictly speaking, China is not of the Pacific but of Asia. Yet, the very vastness of China projects its relevance not only over the Asian mainland and the Pacific but, in fact, throughout the entire world. It is not possible to talk about the future of international peace, let alone about our future in the Pacific, without reference to the great nation which lies on its farther shore.

China will not remain forever, as is now the case, in substantial isolation. Its proper role is as a leading nation in the councils of the world. Sooner or later China will assume that place. It seems to me the Japanese have long since come to recognize that prospect. And there are indications that they are seeking to bridge the gap with China. Even if we could, there is no cause for this nation to impose obstacles of any kind—either spoken or unspoken—to increasing Japanese contacts with China. On the contrary, such efforts—whether in the economic, cultural, or political fields—might well be encouraged. They can serve not only Japan's needs for trade, they can contribute to clearing up a whole range of enigmas involving China and the security of the Western Pacific. In that fashion, they can be helpful in bringing about an enlightened approach to the building of a stable peace in that region.

For our part, and for much the same reasons, I see no purpose in imposing any special restrictions on the travel of Americans to China. Nor do I see any reason not to place trade with China in non-strategic goods on the same basis as trade with the Soviet Union, Poland, and other Communist countries. For a decade and a half we have sought to maintain a rigid primary and secondary boycott of Chinese goods. The effort is unique in our history and it finds no parallel among the present practices of other nations with respect to China. In my view, we would be well advised to abandon this antiquated pursuit of China's downfall by economic warfare and treat with the Chinese in matters of trade as we treat with European Communist countries—no better and no worse.

It seems to me, the Nixon Administration's announced intention to reopen previous offers to exchange journalists, scientists, and scholars with China is well founded. The cancellation of the meeting in Warsaw on February 20, at which these offers were to be reiterated, is regrettable. One can only hope that another opportunity will soon present itself and, hopefully, that the official offers will be made and accepted.

Trade, travel, and cultural and scientific exchanges are relatively tangible issues in our relationship with China. Hence, they seem to be more readily amenable to solution; perhaps, that is why current discussion of the relationship with China tends to concentrate on them. Similarly, the present debate is intensive on the questions of Chinese admission to the United Nations and U.S. diplomatic recognition of Peking. These issues, too, seem susceptible to clear solu-

tion. They are not, however, at the root of the difficulties. To try to resolve them at this point may be a useful intellectual exercise but it also tends to put the cart of the difficulty before the horse.

The fundamental problem of U.S.-Chinese relations is the status of Taiwan. It is a problem which is as complex as it is crucial. It is not an either-or issue. It is not really soluble, in an enduring sense, in terms of two Chinas as has been suggested in recent years because there are not two Chinas and the attempt to delineate them is synthetic. The fact is that China is a part of Taiwan and Taiwan is a part of China. Both Chinese governments which are agreed on little else are agreed on that score. The question is not whether the twain shall meet but when and in what circumstances. While we are not aloof from this question, the decisions which appertain thereto involve primarily the Chinese themselves—the Chinese of the mainland and the Chinese of Taiwan. Sooner or later the decisions will have to begin to be made. Only then will the other part of the Chinese puzzle—such questions as U.S. recognition and U.N. admission—fall into a rational place in our policies.

ADDRESS BY SENATOR EDWARD M. KENNEDY BEFORE THE NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, NEW YORK CITY, MARCH 20, 1969

This conference is one of the most important public sessions on China policy in recent years. That fact alone is extremely significant. The time at which this conference is being held is also significant. For if we ever hoped that the communist regime in China would disappear, our hope is in ruins today, as thousands of Chinese soldiers engage Russian border troops in the continuing struggle by two powerful nations for domination of the world communist movement.

Thousands of American soldiers are dying in Vietnam in a land war in Asia whose purpose, we are told, is the containment of Peking. Demonstrations against American bases in Japan and Okinawa—bases built in part to contain China—shake the foundation of Japan. The shadow of Peking hangs dark over the discussions in Paris and over virtually every conference we attend on arms control. The success of the Nuclear Nonproliferation Treaty, on which the ink is hardly dry, depends in large part on the participation of China.

If we ever hoped that somehow our relations with China could be stabilized at a point of rigid hostility without domestic sacrifice, our hope was dashed when we were told last week by our government that we must now spend $7 billion as a down payment to protect our missiles and our nation from nuclear attack by China.

It is for these reasons that I consider this conference, and what can come from it, so important to the foreign policy of our nation. It is imperative that the issues you have discussed for so long become part of the national agenda of the United States. For almost twenty years, the United States has pursued the same unyielding policy of military containment and diplomatic isolation toward Communist China. However valid that policy may have seemed for the Cold War of the Fifties, it is demonstrably false in the Sixties, and must not be carried into the Seventies.

Every new Administration has a new opportunity to rectify the errors of the past. Each such opportunity consists in large part of the precious gift of time—time in which the good intentions of the government are presumed; time in which the normal conflicts of politics are suspended; time in which the new government has a chance to show it is not tied to the policies of its predecessor.

If the new Administration allows this time to pass without new initiatives; if it allows inherited policies to rush unimpeded along their course, it will have wasted this opportunity. It will have compromised the promises it made to the American people, and worst of all, it will have disappointed the hopes and expectations of the world.

This is especially true in Vietnam. There is growing impatience with the continuing loss of American lives and the seeming frustration of our hopes for the reduction of violence and for the reduction of the American commitment. The advent of a new Administration affords a moment of hope for millions of Americans and Vietnamese. It is a moment that will not long be with us.

The same opportunity exists for our policies throughout Asia. That is why it is all the more important that you who have been involved in the formulation and evaluation of those policies, both in private life and public service, meet here at this time to chart your recommendations.

For twenty years, our China policy has been a war policy. For far too long, we have carried out hostile measures of political, diplomatic, and economic antagonism toward one of the world's most important nations.

Now we must turn away from our policy of war and and pursue a policy of peace. We must seek a new policy, not because of any supposed weakness in our present position or because we are soft on China, but because it is in our own national interest and the interest of all nations. By its sheer size and population, China deserves a major place in the world. As a nuclear power and a nation of 750 million citizens—likely to exceed one billion by the 1980's—China demands a voice in world efforts to deal with arms control and population control, with Asian security and international economic development, with all the great issues of our time.

Yet sixteen years after the end of the Korean War, we do not trade with China. We have no scientific or cultural exchanges. We oppose the representation of China in the United Nations. We refuse to give any sort of diplomatic recognition to the Communist regime on the mainland, and continue to recognize the Nationalist regime of Chiang Kai-Shek on Taiwan as the government of all China. Instead of developing ways to coexist with China in peace, we assume China will attack us as soon as she can, and we prepare to spend billions to meet that threat.

By some cruel paradox, an entire generation of young Americans and young Chinese have grown to maturity with their countries in a state of suspended war toward one another. Tragically, the world's oldest civilization and the world's most modern civilization, the world's most populous nation and the world's richest and most powerful nation, glare at each other across the abyss of nuclear war.

The division between us goes back to American support of the Chinese Nationalist regime during World War II, and to the immediate post-war struggle between the Communists and the Nationalists. In the beginning, our policy was uncertain. The Communists gained power over the mainland in 1949. Between then and the outbreak of the Korean War in 1950, the United States seemed to be preparing to accept the fact of the Chinese Revolution. After the retreat of the Nationalists to Taiwan, our government refused to go to their aid and refused to place the American Seventh Fleet in the Taiwan Strait to prevent a Communist takeover of the island. To do so, we said, would be to intervene in the domestic civil war between the Communists and the Nationalists.

This policy was fully debated by the Congress and the public. Although we deplored the Communist rise to power, we recognized we could do nothing to change it. We anticipated that we would soon adjust to the new Asian reality by establishing relations with the Communist regime.

This situation changed overnight on June 25, 1950, when North Korea attacked South Korea. Fearing that the attack foreshadowed a Communist offensive throughout Asia, the United States ordered the Seventh Fleet into the Taiwan Strait and sent large amounts of military aid to the weak Nationalist Government on the island. To the Communists, the meaning was clear. We would use force to deny Taiwan to the new mainland government, even though both the Communists and the Nationalists agreed the island was Chinese.

Shortly thereafter, in response to the attempt of our forces to bring down the North Korean Government by driving toward the Chinese border, China entered the Korean War. With hindsight, most experts agree that China's action in Korea was an essentially defensive response, launched to prevent the establishment of a hostile government on her border. At the time, however, the issue was far less clear. At the request of the United States, the United Nations formally branded China as an aggressor, a stigma that rankles Peking's leaders even today.

While we fought the Chinese in Korea, we carried out a series of political and economic actions against their country. We imposed a total embargo on all American trade with the mainland. We froze Peking's assets in the United States. We demanded that our allies limit their trade with China. We conducted espionage and sabotage operations against the mainland, and supported similar efforts by the Nationalists. We began to construct a chain of bases, encircling China with American military power, including nuclear weapons.

It is not my purpose here to question the merits of the actions we took while fighting China in Korea. We all remember the climate of those times and the great concern of our country with Chinese military actions. Today, however, sixteen years after the Korean armistice was signed, we have taken almost no significant steps to abandon our posture of war toward China and to develop relations of peace.

Let us look at our policy from the viewpoint of Peking: China's leaders see the United States supporting the Nationalists' pretense to be the government of the mainland. They see thousands of American military personnel on Taiwan. American warships guard the waters between the mainland and Taiwan. American nuclear bases and submarines ring the periphery of China. The United States supports Nationalist U-2 flights over the mainland, as well as Nationalist guerrilla raids and espionage. Hundreds of thousands of American soldiers are fighting in Vietnam to contain China. America applies constant diplomatic and political pressure to deny Peking a seat in the United Nations, to deny it diplomatic recognition by the nations of the world, and to deny it freedom of trade. We turn our nuclear warheads toward China. And now we prepare to build a vast ABM system to protect ourselves against China. In light of all these facts, what Chinese leader would dare to propose anything but the deepest hostility toward the United States?

With respect to the ABM question, I am strongly opposed for many reasons to the deployment of the Pentagon's system. For the purpose of the present discussion, however, one of its most significant drawbacks is that it is likely to be seen in Peking as a new military provocation by the United States. Our overwhelming nuclear arsenal already provides adequate deterrence against any temptation by Peking to engage in a first strike against the United States. From the Chinese perspective, the only utility of an American ABM system is to defend the United States against whatever feeble response Peking could muster after an American first strike against China. Far from deterring aggression by China, therefore, deployment of the ABM system will simply add fuel to our

warlike posture toward China. It will increase Chinese fears of American attack and will encourage China's leaders to embark on new steps in the development of their nuclear capability. Apart from the technical and other policy objections that exist against the ABM system, I believe it makes no sense from the standpoint of a rational Asia policy for America.

In large part, our continuing hostility toward China after the Korean War has rested on a hope that is now obviously forlorn, a hope that under a policy of military containment and political isolation the Communist regime on the mainland would be a passing phenomenon and would eventually be repudiated by the Chinese people. Few of us today have any serious doubt that Communism is permanent for the foreseeable future on the mainland. There is no believable prospect that Chiang Kai-Shek and the Nationalists will return to power there, however regrettable we may regard that fact.

Surely, in the entire history of American foreign policy, there has been no fiction more palpably absurd than our official position that Communist China does not exist. For twenty years, the Nationalists have controlled only the two million Chinese and eleven million Taiwanese on the island of Taiwan, one hundred miles from the mainland of China. How long will we continue to insist that the rulers of Taiwan are also the rulers of the hundreds of millions of Chinese on the millions of square miles of the mainland? It is as though the island of Cuba were to claim sovereignty over the entire continent of North America.

The folly of our present policy of isolating China is matched by its futility. Almost all other nations have adjusted to the reality of China. For years, Peking has had extensive diplomatic, commercial and cultural relations with a number of the nations in the world, including many of our closest allies. Outside the United Nations, our policy of quarantine toward China has failed. To the extent that the Communist regime is isolated at all, it is isolated largely at China's own choosing, and not as a consequence of any effective American policy.

Our actions toward China have rested on the premise that the People's Republic is an illegitimate, evil and expansionist regime that must be contained until it collapses or at least begins to behave in conformity with American interests. Secretary of State Dulles was the foremost exponent of this moralistic view, carrying it to the extent that he even refused to shake hands with Chou En-Lai at the Geneva Conference in 1954. That slight has not been forgotten.

The Communist regime was said to be illegitimate because, we claimed, it had been imposed on the supposedly unreceptive Chinese people by agents of the Soviet Union. Communist China, according to this view, was a mere Soviet satellite. One Assistant Secretary in the State Department called it a Soviet Manchukuo, suggesting that China's new leaders were no more independent than were the Chinese puppets whom Japan installed in Manchuria in the 1930's. This evaluation grossly exaggerated the extent to which Soviet aid was responsible for the Communist takeover of China, and the events of the past decade—amply confirmed by the intense hostility of the current border clashes—have shattered the myth of Soviet domination of China.

The Communist regime was said to be evil because of the great violence and deprivation of freedom that it inflicted on millions of people who opposed its rise to power. Obviously, we cannot condone the appalling cost, in human life and suffering, of the Chinese Revolution. Yet, in many other cases, we have recognized revolutionary regimes, especially when the period of revolutionary excess has passed. Even in the case of the Soviet Union, the United States waited only 16 years to normalize relations with the revolutionary government.

Unfortunately, we have tended to focus exclusively on the costs of the Chinese revolution. We have ignored the historical conditions that evoked it and the social and economic gains it produced. We have ignored the fact that the Nationalists also engaged in repressive measures and deprivations of freedom, not only during their tenure on the mainland, but also on Taiwan. We have created a false image of a struggle between "Free China" and "Red China," between good and evil. Given our current perspective and the greater understanding of revolutionary change that has come with time, we can now afford a more dispassionate and accurate review of the Chinese Revolution.

Finally, there is the charge that the Communist regime is an expansionist power. At bottom, it is this view that has given rise to our containment policy in Asia, with the enormous sacrifices it has entailed. The charge that the Communist regime is expansionist has meant different things at different times. On occasion, American spokesmen have conjured up the image of a "Golden Horde" or "Yellow Peril" that would swoop down over Asia. Today, most leaders in Washington employ more responsible rhetoric, and it is the Russians who perpetuate this image of China.

Virtually no experts on China expect Peking to commit aggression, in the conventional sense of forcibly occupying the territory of another country—as the Soviet Union recently occupied Czechoslovakia. Such action is in accord with neither past Chinese actions nor present Chinese capabilities. Despite their ideological bombast, the Chinese Communists have in fact been extremely cautious about risking military involvement since the Korean War. The Quemoy crises of the 1950's and the 1962 clash with India were carefully limited engagements. The struggle over Tibet is widely regarded as reassertion of traditional Chinese jurisdiction over that remote area. China has not used force to protect the overseas Chinese in the disturbances in Burma, Malaysia, or Indonesia. Her navy and air force are small. She can neither transport her troops nor supply them across the long distances and difficult terrain of a prolonged war of aggression.

Obviously, our concern today is not so much the danger of direct Chinese aggression as the danger of indirect aggression, based on Chinese efforts to subvert existing governments and replace them with governments friendly to Peking. Yet, until Vietnam led to our massive involvement in Southeast Asia, Peking enjoyed only very limited success in its attempts to foster "wars of national liberation." Although China of course will claim to play a role wherever political instability occurs in Asia, Africa and even Latin America, its record of subversion is unimpressive. On the basis of the past, it is very likely that nations whose governments work for equality and social justice for their people will be able to overcome any threat of Chinese subversion.

Furthermore, we can expect that time will moderate China's revolutionary zeal. Experience with the Soviet Union and the Eastern European Communist nations suggests that the more fully China is brought into the world community, the greater will be the pressure to behave like a nation-state, rather than a revolutionary power.

Ironically, it is Communist China's former teacher, The Soviet Union, that is now determined to prevent any moderation of Chinese-American hostility. We cannot accept at face value the current Soviet image of China, for the Soviets have far different interests in Asia than we do. Although we must persist in our efforts to achieve wider agreement with Moscow, we must not allow the Russians to make continuing hostility toward Peking the price of future Soviet-American cooperation. Rather than retard our relations with Moscow, a Washington-Peking thaw might well provide the Soviet Union with a badly needed incentive to improve relations with us.

We must not, however, regard relations with Peking and Moscow as an "either/or" proposition. We must strive to improve relations with both. We must be alert, therefore, to any opportunity offered by the escalating hostility between China and the Soviet Union to ease our own tensions with those nations.

Both of us—Chinese and American alike—are prisoners of the passions of the past. What we need now, and in the decades ahead, is liberation from those passions. Given the history of our past relations with China, it is unrealistic to expect Peking to take the initiative. It is our obligation. We are the great and powerful nation, and we should not condition our approach on any favorable action or change of attitude by Peking. For us to begin a policy of peace would be a credit to our history and our place in the world today. To continue on our present path will lead only to further hostility, and the real possibility of mutual destruction.

Of course, we must not delude ourselves. Even if the United States moves toward an enlighted China policy, the foreseeable prospects for moderating Chinese-American tensions are not bright. It is said that there is no basis for hope so long as the current generation of Communist Chinese leaders remains in power. This may well be true. Yet, Peking's invitation last November to resume the Warsaw talks, although now withdrawn, suggests the possibility that China's policy may change more rapidly than outside observers can now anticipate.

We must remember, too, that the regime in Peking is not a monolith. As the upheavals of the Great Leap Forward and the Cultural Revolution have shown, China's leaders are divided by conflicting views and pressures for change. We must seek to influence such change in a favorable direction. We can do so by insuring that reasonable options for improved relations with the United States are always available to Peking's moderate or less extreme leaders.

The steps that we take should be taken soon. Even now, the deterioration of Chinese-Soviet relations in the wake of the recent border clashes may be stimulating at least some of the leaders in Peking to re-evaluate their posture toward the United States and provide us with an extraordinary opportunity to break the bonds of distrust.

What can we do to hasten the next opportunity? Many of us here tonight are already on record as favoring a more positive stand. We must actively encourage China to adopt the change in attitude for which we now simply wait. We must act now to make clear to the Chinese and to the world that the responsibility for the present impasse no longer lies with us.

First, and most important, we should proclaim our willingness to adopt a new policy toward China, a policy of peace, not war, a policy that abandons the old slogans, embraces today's reality, and encourages tomorrow's possibility. We should make clear that we regard China as a legitimate power in control of the mainland, entitled to full participation as an equal member of the world community and to a decent regard for its own security. The policy I advocate will in no way impede our ability to respond firmly and effectively to any possibility of attack by the Chinese. What it will do, however, is emphasize to China that our military posture is purely defensive, and that we stand ready at all times to work toward improvement in our relations.

Second, we should attempt to reconvene the Warsaw talks. At the time the talks were cancelled, I wrote the Secretary of State, asking the Administration to make an urgent new attempt to establish the contact that we so nearly achieved at Warsaw, and to do so before the air of expectancy that hung over the talks is completely dissipated. If the talks

are resumed, we should attempt to transform them into a more confidential and perhaps more significant dialogue. The parties might meet on an alternating basis in their respective embassies, or even in their respective countries, rather than in a palace of the Polish Government. Whether or not the talks are resumed, more informal official and semi-official conversations with China's leaders should be offered.

Third, we should unilaterally do away with restrictions on travel and non-strategic trade. We should do all we can to promote exchanges of people and ideas, through scientific and cultural programs and access by news media representatives. In trade, we should place China on the same footing as the Soviet Union and the Communist nations of Eastern Europe. We should offer to send trade delegations and even a resident trade mission to China, and to receive Chinese trade delegations and a Chinese trade mission in this country. Finally, we should welcome closer contacts between China and the rest of the world, rather than continue to exert pressure on our friends to isolate the Peking regime.

Fourth, we should announce our willingness to re-establish the consular offices we maintained in the People's Republic during the earliest period of Communist rule, and we should welcome Chinese consular officials in the United States. Consular relations facilitate trade and other contacts. They frequently exist in the absence of diplomatic relations, and often pave the way for the establishment of such relations.

Fifth, we should strive to involve the Chinese in serious arms control talks. We should actively encourage them to begin to participate in international conferences, and we should seek out new opportunities to discuss Asian security and other problems.

Sixth, we should seek, at the earliest opportunity, to discuss with China's leaders the complex question of the establishment of full diplomatic relations. For the present, we should continue our diplomatic relations with the Nationalist regime on Taiwan and guarantee the people of that island against any forcible takeover by the mainland. To Peking at this time, the question of diplomatic recognition seems to be unavoidably linked to the question of whether we will withdraw recognition from the Nationalists and the question of whether Taiwan is part of the territory of China. Both the Communists and the Nationalists claim Taiwan as part of China, but our own government regards the status of the island as undefined, even though we maintain diplomatic relations with the Nationalists.

We have failed to agree on solutions involving other divided countries and peoples—as in Germany—and we cannot be confident of greater success in the matter of Taiwan. There are critical questions that simply cannot now be answered:

Will the minority regime of the Chinese Nationalists continue to control the island's Taiwanese population?

Will the Taiwanese majority eventually transform the island's government through the exercise of self-determination?

Will an accommodation be worked out between a future Taiwan Government and the Peking regime on the mainland?

To help elicit Peking's interest in negotiations, we should withdraw our token American military presence from Taiwan. This demilitarization of Taiwan could take place at no cost to our treaty commitments, or to the security of the island. Yet, it would help to make clear to Peking our desire for the Communists, the Nationalists, and the Taiwanese to reach a negotiated solution on the status of the island.

A dramatic step like unilateral recognition of Peking would probably be an empty gesture at this time. As the experience of France implies, unilateral recognition of Peking is not likely to be effective unless it is accompanied by the withdrawal of our existing recognition of the Nationalists. And, as the case of Great Britain suggests, Peking may insist on our recognition of the mainland's claim to Taiwan before allowing us to establish full ambassadorial relations. These problems will have to be negotiated, and we should move now to start the process.

Seventh, without waiting for resolution of the complex question of Taiwan, we should withdraw our opposition to Peking's entry into the United Nations as the representative of China, not only in the General Assembly, but also in the Security Council and other organs. The Security Council seat was granted to China in 1945 in recognition of a great people who had borne a major share of the burden in World War II, thereby making the United Nations possible. It was not a reward for the particular political group that happened to be running the country at the time.

In addition, we should work within the United Nations to attempt to assure representation for the people on Taiwan that will reflect the island's governmental status. It may be that the Chinese Nationalists can continue to enjoy a seat in the General Assembly. Or, if an independent republic of Taiwan emerges, it might be admitted into the United Nations as a new state. Possibly, if a political accommodation is reached between the Communist regime on the mainland and the government on Taiwan, the people of Taiwan might be represented in the United Nations as an autonomous unit of China, by analogy to the present status of Byelorussia and the Ukraine in the United Nations as autonomous provinces of the Soviet Union.

From its inception, the United Nations has displayed remarkable flexibility in adjusting to political realities. There are many possible solutions to the China problem in the United Nations. Without insisting on any one, we should move now to free the United Nations to undertake the long-delayed process of adjusting to the reality of the People's Republic of China, and we should clearly indicate to Peking our willingness to discuss these questions.

In dealing with the problems of diplomatic recognition and United Nations representation, I have placed primary emphasis on the need to initiate discussions with Peking in these areas. Since it is impossible to predict when or how the Chinese will respond to a change in American policy, we cannot maintain a hard and fast position on these questions. We cannot afford to close any options by endorsing detailed schemes at this time. What we can do, however, is act now on the broad range of initiatives I have mentioned, and make clear to Peking that our views are not rigid on even the most difficult issues that have divided us so bitterly in recent years.

We will have to be patient. Peking's initial reaction to serious initiatives on our part will probably be a blunt refusal. But, by laying the groundwork now for an improved relationship in the Seventies and beyond, we will be offering the present and future leaders in Peking a clear and attractive alternative to the existing impasse in our relations.

Many outstanding authorities on China are here tonight. Perhaps I can sum up my central theme in terms that you may find appropriate. According to Chinese tradition, the model Confucian gentleman was taught that, whenever involved in a dispute, he should first examine his own behavior, ask himself whether he bears some responsibility for the dispute, and take the initiative to try to arrive at a harmonious settlement.

It may prove futile for us to follow this advice when dealing with Chinese who claim to reject many of China's great traditions. But we will never know unless we try. If nothing changes, we Americans will have to live with the consequences of arms and fear and war. We owe ourselves, we owe the future, a heavy obligation to try.

ABM: THE FOCUS OF THE PROPOSAL

Mr. MANSFIELD. Mr. President, as the Senate begins its evaluation of the ABM system, the features of President Nixon's new proposal for this system ought to be seen in proper focus.

May I say that I make this speech today with due respect to the difficulties which confronted the President of the United States when he thought about a drastic changeover in the configuration of the Safeguard system from what had previously been known as the Sentinel system, which he had inherited from a Democratic administration.

May I say, also, that I appreciated the frankness with which the President of the United States discussed this matter with the joint leadership on the day he also later discussed it with the people of America by means of a TV broadcast, at which time he outlined his views and gave his reasons and opened himself up to questions on the part of the communications media.

At that meeting, when the President told us of the decision, he asked for our reaction. I must admit, in all candor, that the reaction among those present was almost unanimously in support of what he had stated he was going to do. But, with equal candor, I must say that one or two of us expressed our doubts and stated that we had serious questions relative to cost, reliability, alternatives, need, and other factors. He understood perfectly that this was a matter which could be from two, if not more, sides, and he stated that he did not call the leadership down to form a cheerleaders' section to get behind him, but to tell us his views and, in return, to get our reaction.

The President had a most difficult decision to face up to. I give him great credit for being responsible—solely responsible—for the review which he requested on the Sentinel system. I give him credit—great credit—for facing up to his responsibility as President of the United States and arriving at a decision. I have no doubt in my mind that his decision was based on what he considered to be in the best interests of the Nation as a whole.

I did not attend the meetings at which the Secretary of Defense and his advisers—Under Secretary Packard, General Wheeler, and Dr. Foster—appeared before the appropriate committees; but I did read the newspaper accounts with a great deal of interest, and I also happened to be lucky enough to view certain portions of their appearance before the Committee on Armed Services and the Committee on Foreign Relations.

I want to give Secretary Laird great credit, also, for the way he presented his case, for the vigor he showed in marshaling his facts and in answering the variety of questions which were directed to him from all directions.

But I do think, Mr. President, that this matter should be viewed in proper focus, and I anticipate that the Safeguard anti-ballistic-missile system will be the sub-

ject of thoroughgoing and extended debate in this body.

It was evident from the press conference on March 14, for example, that the President's basic decision changed the earlier concept of the ABM system. Last year the ABM was billed as affording protection primarily to the cities against a Chinese attack and only incidentally as safeguarding emplaced ICBM missile sites in rural areas. This year the President proposes to shift the emphasis of protection 180 degrees, from the cities to the rural ICBM sites. This change was explicit in the President's press conference, and it was clear in the presentation to the congressional leaders at the White House prior to the press conference.

Since then, other briefings have been provided to amplify the President's decision. These subsequent statements by the officials of the Defense Department seem to me to be confusing the emphasis which the President had set forth in his new approach.

President Nixon's proposal was to limit the actual deployment of the ABM system at this point to missile farms in Montana and North Dakota. Indeed, it was evident that he was hopeful that negotiations with the Soviet Union might make even the completion of this limited deployment unnecessary. The President specifically reserved until a later review any decision for elaboration of the proposed system beyond the initial two-site installation. The President put off, until this future review, any extension of the system—whether to provide for a "thin" coverage against Chinese attacks or to counter an accidental missile firing from abroad which might destroy one or more cities. Insofar as protection of people against a massive Soviet first strike, that was rejected outright by President Nixon, as it had been rejected by the previous administration.

Such was the emphasis given by the President in his new approach. Defense Department interpretations have tended to obfuscate, it seems to me, the restraint which characterized the President's decision. These subsequent statements leave the strong impression that the two-site installations are just the beginning of a vast program to convert the entire Nation into a missile maginot. It is as if future reviews of the international situation which the President has stressed he would make prior to any further elaboration of the system will be nothing more than some sort of charade for the benefit of those who have had grave concern about the entire enterprise from the outset.

As a courtesy to the President, I have endeavored to keep an open mind on the new approach. The Senate knows that I have opposed the original ABM proposal in the past, not only during the first few days of the Nixon administration, but also throughout the closing years of the Johnson administration. For me, there is not now and there has never been any partisanship in this issue. As I have opposed the Sentinel program during two administrations of different political leadership, it has been opposed in the same fashion by other Members on both sides of the aisle. In this connection, I would refer to the leadership of the distinguished Senator from Kentucky (Mr. COOPER) and the contributions of other Republican Senators.

To infer partisanship where none exists does a disservice to the Senate and to the country. Before judgment on this issue is taken, all Senators will insist, as I will insist, upon the most thorough discussion. We are deciding here not for a day but for years and, perhaps, decades. Who doubts that Senators will not form their conclusions on the basis of understanding and conviction rather than on the basis of party considerations? Members of the Senate would be well advised to put aside talk of partisanship. There is no partisanship and I would hope and expect that there will be no pettiness with respect to this critical issue.

It would be my hope, too, that subordinates in the administration will not read into the President's decision their own preconceptions and predilections. The President has made clear that he has not gone beyond a fixed point of decision and he will not go beyond it without subsequent review of the shifting nature of security needs. His subordinates in the Defense Department—whether political or bureaucratic—ought to be the first to hear and heed him. When he says that he will decide not now but in the future, whether the situation at that time justifies curtailment, expansion or any other modification of the initial deployment, he should be taken at his word.

It should be borne in mind, too, that we are in a most difficult period in Vietnam and at home. We are in a time of growing financial stress among the tax-squeezed, inflation-pressed people of this Nation.

It is of the utmost importance that there not be lost any opportunity to bring under control the immense and growing cost of armaments to this Nation. Negotiations with the Soviet Union, which the President has made clear he intends to pursue, might conceivably act to curb those costs.

Frankly, I do not know whether agreements can be achieved with our principal rival in this wasteful military competition. I do not believe, however, that it enhances the propects for agreement when nonelected officials of this Government play one-upmanship with limited presidential decisions. Nor does it it enhances the prospects for agreement if the rationale which is set forth in order to justify deployment of the ABM gives the appearance of a missile system in search of a mission, to quote the words of the Senator from Tennessee (Mr. GORE). That has been the effect of the flailing efforts to push this system through the Congress over the past several years. The country has been saturated with a propaganda that has not only puzzled our own people but which may well have exposed the Nation to international ridicule. First, it was urged that the Sentinel system be adopted on the grounds that it would protect Americans against the Russians. Then, when it was transparent that nothing could protect the people of the Nation against massive Soviet attack, the system was labeled a defense of the inhabitants of the cities—a thin defense—against the irrational Chinese. Finally, it was termed a defense against both the Russians and the Chinese and even against accidental missile firings. Indeed, is it any wonder that there are grave doubts, now, as to whether an ABM system can protect this Nation against anyone?

That is another point, however, and I will take it up at another time. I wish to stress now that the system which President Nixon has proposed be built this year is for the protection of a segment of our deterrent power—350 Minuteman missiles in Montana and North Dakota. That is not a protection against China; it is a protection of a small part of our capacity to retaliate against an attack from the Soviet Union. By the same token, therefore, it is with Russia that disarmament agreements which might make possible the forestalling of the immensely costly placement of the ABM's might have relevance. If, instead what is proposed for this year is to cement in a plan for a mixed system—a polyglot ABM—to protect all of the ICBM deterrent power of the United States, to protect against China, to protect against third parties or to protect against accidental attacks or to protect against whatever, then what sense would it make, as it is obviously contemplated, to talk disarmament with the Russians but not with the Chinese? Do you disarm a defense system, Mr. President, against China or against accidental missiles because you have negotiated an arms agreement with the Soviet Union?

What I am suggesting, Mr. President, is that it is at least possible to find a rationale in the association of a two-site ABM installation and negotiations with the Russians on arms limitation. President Nixon linked these two considerations in shifting from the previous ABM concept. I fear, however, that subsequent interpretation by his subordinates is rapidly dismantling the connection. To be sure, there is a certain ritual deference paid to the disarmament aspect of the President's approach but any perusal of the record to date will show that the emphasis has clearly shifted so that the two-site installations appear to be coming into focus as a mere wayside stop along the road to the construction of a great nuclear wall whose costs would be incalculable.

It seems to me, therefore, that we need to know whether the presumption upon which the Defense Department now seems to be acting is valid—that is, that an open-ended deployment of an area defense system aimed in any and all directions is a foregone conclusion. I thought the President had not decided that point—that he had decided at this time only to deploy ABM's at two sites. I thought the President was trying to keep open an option which would permit him to restrain the costly spread of the system at that point or even to reverse it. The interpretations seem to me, however, to be closing off that option. How are we to explain, otherwise, the effort which may well be made by the Defense Department to obtain appropriations

from the Senate, for example, to purchase land, this year, for several ABM sites beyond those in Montana and North Dakota?

It is my understanding that last year Congress appropriated $227.3 million for acquisition of land and construction; that is, brick and mortar items. It is my further understanding that about one-third of that money has been spent. It is my further understanding that the law can well be interpreted so that the remaining two-thirds, or approximately $150 million, is available and spendable with no restrictions whatsoever because when the appropriation was made it was open ended or "no ended," however one wishes to refer to it. So it may well be that there will be no request for funds this year because of the two-thirds of $227.3 million appropriated for this fiscal year being available and ready to be spent.

Incidentally, speaking of construction, I wonder what is going to happen to the sites which have been bought in the vicinity of Boston, and very likely, in other parts of the country as well, which because of the change from Sentinel to Safeguard now no longer have the purpose intended for them when the purchase was originally made. These purchases, beyond Montana and North Dakota, would have no purpose other than to set in motion an elaboration which President Nixon presumably has not yet decided. What justification can there be for appropriating or expending moneys available this year for a need which may not exist next year?

Indeed, the Department's request for this money seems to me to be presumptuous of the intent that both the President and the Congress had in mind.

The basic focus of this discussion on the ABM, then, if I may sum up, ought to be on what President Nixon has proposed to begin to do this year: that is, to provide ABM's to protect 350 Minuteman ICBM missiles in Montana and North Dakota while trying to move ahead, at the same time, with negotiations with the Russians on curbing the armaments competition. Whether even that limited ABM deployment is justified is another matter. That will have to be considered in the light of the reliability, redundance, and the relevance of any ABM deployment at this time. It will have to be discussed in the light of the immense costs, actual and potential. It will have to be decided, finally, on the basis of the need to balance the requirements of external security against the requirements for halting the disintegration of the nation's internal security in all of its ramifications.

I shall have more to say on this subject, Mr. President, at a subsequent date. But at this time, I ask unanimous consent that the transcript of the President's news conference of March 14, published in the New York Times on March 15, 1969, having to do with foreign and domestic affairs, be printed in the RECORD.

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

TRANSCRIPT OF THE PRESIDENT'S NEWS CONFERENCE ON FOREIGN AND DOMESTIC AFFAIRS

OPENING STATEMENT

Ladies and gentlemen, today I am announcing the decision which I believe is vital for the security and defense of the United States and also in the interests of peace throughout the world.

Last year a program, the Sentinel antiballistic missile program, was adopted and that program, as all listeners on television and radio and readers of newspapers know, has been the subject of very strong debate and controversy over the past few months. After a long study of all of the options available I have concluded that the Sentinel program previously adopted should be substantially modified.

The new program that I have recommended this morning to the leaders and that I announce today is one that perhaps best can be described as a safeguard program. It is a safeguard against any attack by the Chinese Communists that we can forsee over the next 10 years.

It is a safeguard of our deterrent system, which is increasingly vulnerable due to the advances that have been made by the Soviet Union since the year 1967, when the Sentinel program was first laid out.

It is a safeguard, also, against any irrational or accidental attack that might occur, of less than massive magnitude, which might be launched from the Soviet Union.

The program also does not do some things, which should be clearly understood. It does not provide defense for our cities and, for that reason, the sites have been moved away from our major cities.

NO WAY TO DEFEND CITIES

I have made the decision with regard to this particular point because I found that there is no way, even if we were to expand the limited Sentinel system which was planned for some of our cities, to a so-called heavy or thick system, there is no way that we can adequately defend our cities without an unacceptable loss of life.

The only way that I have concluded that we can save lives—which is the primary purpose of our defense system—is to prevent war. And that is why the emphasis of this system is on protecting our deterrent, which is the best preventive for war.

The system differs from the previous Sentinel system in another major respect. The Sentinel system called for a fixed deployment schedule. I believe that because of a number of reasons that we should have a phase system. That is why, on an annual basis, the new safeguard system will be reviewed. And the review may bring about the changes in the system based on our evaluation of three major points.

First, what our intelligence shows us with regard to the magnitude of the threat, whether from the Soviet Union or from the Chinese.

And, second, in terms of what our evaluation is of any talks that we are having by that time or may be having with regard to arms control.

And, finally, because we believe that since this is a new system, we should constantly examine what progress has been made in the development of the technique to see if changes in the system should be made.

I should admit at this point that this decision has not been an easy one. None of the grave decisions made by a President are easy. But it is one that I have made after considering all of the options and I would indicate before going to your questions two major options that I have overruled.

One is moving to a massive city defense. I've already indicated why I do not believe that is, first, feasible, and there is another reason. Moving to a massive city defense system, even starting with a thin system and then going to a heavy system, tends to be more provocative in terms of making credible a first strike capability against the Soviet Union. I want no provocation which might deter arms talks.

Doing nothing option

The other alternative at the other extreme was to do nothing or to delay for six months or 12 months, which would be the equivalent, really, of doing nothing, or for example, going the road only of research and development.

I have examined those options. I have ruled them out because I have concluded that the first deployment of this system which will not occur until 1973, that that first deployment is essential by that date if we are to meet the threat that our present intelligence indicates will exist by 1973.

In other words, we must begin now. If we delay a year, for example, it means that that first deployment will be delayed until 1975. That might be too late.

It is the responsibility of the President of the United States above all other responsibilities to think first of the security of the United States. I believe that this system is the best step that we can take to provide for that security.

There are, of course, other possibilities that have been strongly urged by some of the leaders this morning. For example, that we could increase our offensive capabilities, our submarine force, or even our Minuteman force, or our bomber force.

That I would consider to be, however, the wrong road because it would be provocative to the Soviet Union and might escalate an arms race. This system is truly a safeguard system, a defensive system only. Its safeguards are deterrent and under those circumstances, can in no way, in my opinion, delay the progress which I hope will continue to be made toward arms talks which will limit arms not only this kind of system, but particularly offensive systems.

We'll now go to your questions.

QUESTIONS AND ANSWERS

1. Enemy attacks in Vietnam

Question. Mr. President, the war in Vietnam has been intensifying recently and if there has been any notable progress in Paris it has not been detectable publicly. Is your patience growing a little thin with these continued attacks, particularly such as came out of the DMZ today?

Answer. Mr. Smith you may recall that on March 4 when I received a similar question at an earlier stage of the attacks, I issued what was interpreted widely as a warning. It will be my policy as President to issue a warning only once, and I will not repeat it now.

Anything that in the future is done will be done. There will be no additional warning. As far as the Paris talks are concerned, I have noted the speculation in the press with regard to whether we will have or should have or are, for example, approving private talks going forward. I will not discuss that subject.

I trust there will be private talks. I think that's where this war will be settled, in private, rather than in public, and this is in the best interests of both sides. But public discussion of what I think is significant progress which is being made along the lines of private talks I will not indulge in.

2. State of Union talk

Question. Will you make your State of the Union address and what will your legislative program encompass?

Answer. I do not plan a State of the Union Address in the traditional manner. I will within approximately a month, however, state a general domestic program. By that time the program will be at the point that I

think it should be completely summarized and set forth not only for the nation as to what we have done but particularly to the Congress as to what we expect for the balance. I would not like to anticipate now what will be in that program.

3. Reaction to ABM plan

Question. There's been a great deal of criticism in Congress against the deployment of any type of antiballistic missile defense system. What kind of reception do you think your proposal this morning will receive there?

Answer. It will be a very spirited debate and it will be a very close vote. Debates in the field of national defense are often spirited and the votes are often close. Many of my friends in Congress who were there before I was there remarked that the vote on extending the draft in 1941 won by only one vote. This might be that close.

I think, however, that after the members of the House and the Senate consider this program, which is a minimum program, but which—and which—particularly provides options for change in other directions, if we find the threat has changed or that the art has changed—our evaluation of the technique has changed—I think that we have a good chance of getting approval. We will, of course, express our views and we hope that we will get support in the country.

4. Effectiveness of ABM plan

Question. Mr. President, I understand that your first construction or deployment of antimissile systems would be around two Minuteman retaliatory operations. Do you think that deploying around these two provides enough deterrent that would be effective?

Answer. Let me explain the difference between deploying around two Minuteman bases and deploying around, say, 10 cities. Where you are looking toward a city defense, it needs to be a perfect or near-perfect system to be credible, because, if, as I examine the possibility of even a thick defense of cities, I found that even the most optimistic projections considering the highest development of the art, would mean that we would still lose 30 to 40 million lives.

That would be less than half of what we would otherwise lose, but we would still lose 30 to 40. Now, when you are talking about protecting your deterrent, it need not be perfect.

It is necessary only to protect enough of the deterrent that the retaliatory second strike will be of such magnitude that the enemy would think twice, before launching a first strike, and I, it has been my conclusion that by protecting two Minuteman sites we will preserve that deterrent as a credible deterrent and that that will be decisive and could be decisive in so far as the enemy considering the possibility of a first strike.

5. The face of the war

Question. Mr. President, there have been charges from Capitol Hill that you have stepped up the war in Vietnam. Have you?

Answer. I have not stepped up the war in Vietnam, I have—actually have examined not only the charges but also examined the record. And I discussed it at great length yesterday with Secretary Laird.

What has happened is this. For the past six months the forces on the other side had been planning for an offensive. And, for the past six months, they not only had planned for an offensive but they have been able, as a result of that planning, to have mounted a rather substantial offensive.

Under those circumstances we had no other choice but to try to blunt that offensive. Had General Abrams not responded in this way, we would have suffered far more casualties than we have suffered—and we have suffered more than, of course, any of us would have liked to have seen.

The answer is that any escalation of the war in Vietnam has been the responsibility of the enemy. If the enemy de-escalates its attacks, ours will go down. We are not trying to step it up, we are trying to do everything that we can in the conduct of our war in Vietnam, to see that we can go forward toward peace in Paris.

That is why my response has been measured, deliberate and—some think—too cautious. But it will continue to be that way because I am thinking of those peace talks every time I think of our military option in Vietnam.

6. Prospects on taxes

Question. Mr. President, your safeguard ABM system, I understand, would cost about $1-billion less in the coming fiscal year than the plan which President Johnson sent up. Will this give you the opportunity to reduce the surcharge, or will the continued high level of taxation be needed for the economy?

Answer. That question will be answered when we see the entire budget. Secretary Laird will testify on the defense budget on Wednesday, and incidentally, my understanding at this time and I've seen the preliminary figures is that the defense budget for, that Secretary Laird will present, will be approximately $2.5-billion less than that submitted by the previous Administration.

Now whether, after considering the defense budget and all the other budgets that have been submitted, we then can move in the direction of either reducing the surcharge or move in the direction of some of our very difficult problems, with regard to our cities, the problem of hunger and others, these are the options that I will have to consider at a later time.

7. Response to foe's attacks

Question. Last week you said that, on the matter of Vietnam, you would not tolerate heavier casualties in the continuation of the violation of the understanding without making an appropriate response of—is what we're doing in Vietnam now in a military way that response of which you were speaking?

Answer. This is a very close decision on our part, one that I not only discussed with Secretary Laird yesterday but that we will discuss more fully in the Security Council tomorrow. I took no comfort out of the stories that I saw in the papers this morning to the effect that our casualties for this, the immediate past week, went from 400 down to 300. That's still much too high.

What our response should be must be measured in terms of the effect on the negotiations in Paris. I will only respond as I did earlier to Mr. Smith's question. We have issued a warning. I will not warn again. And if we conclude that the level of casualties is higher than we should tolerate, action will take place.

8. Reaction in Moscow

Question. Do you have reason to believe that the Russians will interpret your ABM decision today as not being an escalating move in the arms race?

Answer. As a matter of fact, Mr. Kaplow, I have reason to believe, based on the past record, that they would interpret it just the other way around.

First, when they deployed their own ABM system, and as you know, they have 67 missiles—ABM sites—deployed around Moscow, they rejected the idea that it escalated the arms race on the ground that it was defensive solely in character.

And second, when the United States last year went forward on the Sentinel system four days later the Soviet Union initiated the opportunity to have arms limitation talks.

I think the Soviet Union recognizes very clearly the difference between a defensive posture and an offensive posture. I would also point this out—an interesting thing about Soviet military and diplomatic history: They have always thought in defensive terms and if you read their—not only their political leaders but their military leaders—the emphasis is on defense.

I think that since this system now—as a result of moving the city defense out of it and the possibility of that city defense growing into a thick defense—I think this makes it so clearly defensive in character that the Soviet Union cannot interpret this as escalating the arms race.

9. Summit meeting plans

Question. Mr. President, last week at your press conference you mentioned negotiations with the Russians at the highest level being in the wings. Could you tell us if since then we've moved any closer to such a summit meeting?

Answer. I should distinguish between negotiations at what you'd call the highest level, and what I said was the highest level, and talks. Talks with the Soviet Union are going on at a number of levels at this time. On a number of subjects.

However, those talks have not yet reached the point where I have concluded—or where I believe they have concluded—that a discussion at the summit level would be useful.

Whenever those talks—preliminary talks—do reach that point, I anticipate that a summit meeting would take place. I do not think one will take place in the near future, but I think encouraging progress is being made toward the time when a summit talk may take place.

10. Personnel problems

Question. Sir, there have been several reports from your staff members that Kennedy and Johnson holdover people who made policy have sewn themselves into civil service status and thus may mean some problem for your people in personnel. I wonder if this means that you are going to transfer a lot of these people or abolish the jobs?

Answer. Well I've heard a lot from some of my Republican friends on Capitol Hill on this point as well as from, of course, Republican leaders in the nation. We—it seems this is a rather common practice when one Administration goes out and the other comes in.

We will do what we think will best serve the interest of effective government and if the individual who's been frozen in can do the job we're going to keep him. However, we're moving some out but we won't do it through subterfuge. We'll try to do it quite directly.

11. Assistance from allies

Question. Mr. President, on your recent European trip did you find any willingness on the part of our allies to increase their military and financial contributions to the alliance?

Answer. Well, that matter was discussed with all of our allies. And, particularly, will be a subject for discussion when we have the 20th anniversary meeting of NATO here in April. I do not . . . I think it might be potentially embarrassing to allies to suggest that we're urging them—anyone specifically—to do one thing or another in this field.

I think it's best for me to leave it in these terms. Our allies do recognize the necessity to maintain NATO's conventional forces. They do recognize that they must carry their share or that the United States—and particularly our Congress, representing our people—will be—have much less incentive to carry our share. I believe they will do their share. But I think we're going to do it best through quiet conversation rather than public declaration.

12. ABM as bargaining issue

Question. Mr. President, in any talks with the Soviet Union, would you be willing to consider abandoning the ABM program altogether if the Soviets showed a similar willingness, or, indeed, if they showed a readiness to place limitations on offensive weapons?

Answer. Well, Mr. Scali, I am prepared in the event that we go into arms talks to con-

sider both offensive and defensive weapons. As you know, the arms talks that have at least preliminarily been discussed do not involve limitation or reduction; they involve only freezing where we are.

Now your subject, your question goes to abandoning. And on that particular point I think it would take two, naturally, to make the agreement. Let's look at the Soviet Union's position with its defensive deployment of ABM's.

Previously, that deployment was aimed only toward the United States. Today their radars, from our intelligence, are also directed toward Communist China. I would imagine that the Soviet Union would be just as reluctant as we would be to leave their country naked against a potential Chinese Communist threat.

So the abandoning of the entire system, particularly as long as the Chinese threat is there, I think neither country would look upon with much favor.

13. Nonproliferation treaty

Question. Mr. President, would you think that the deployment of the ABM by both the Soviet Union and the United States are compatible with the N.P.T., the nonproliferation treaty?

Answer. I considered that problem and I believe that they are compatible with the N.P.T. We discussed that in the leader's meeting this morning and I pointed out that as we consider this—this kind of defensive system which enables the United States of America to make its deterrent capability credible, that that will have an enormous effect in reducing the pressure on other countries who might want to acquire nuclear weapons.

That's the key point. If a country doesn't feel that the major country that has a nuclear capability has a credible deterrent then they would move in that direction.

One other point: I wish to make an announcement with regard to N.P.T.—that I was delighted to see the Senate's confirmation or consent to the treaty and this announcement—I hope President Johnson is looking.

I haven't talked to him on the phone. I'm going to invite President Johnson, if his schedule permits, to attend the ceremony when we will have the ratification of the treaty because he started it in his Administration and I think he should participate when we ratify it.

14. Aid to college protesters

Question. Mr. President. I wonder if I can turn you to the campus disorders and unrest. They're continuing and we haven't had an opportunity to ask you your views of them. But particularly would you favor the cutting off of Federal loans to the offenders?

Answer. Mr. Lisagor, I've asked the Attorney General and the Secretary of Health, Education and Welfare to examine this problem particularly in view of a Congressional report that 122 of 540 that had been arrested at San Francisco State were direct recipients of Federal funds. I will have a statement on that that I will be making either Monday of Tuesday in detail. I prefer not to go into it now.

15. Paris peace talks

Question. To follow up Mr. Day's question on Vietnam earlier, is there any evidence that your measured response to the enemy attacks in South Vietnam has produced or yielded any results in Paris or in the attitudes of the North Vietnamese leaders in Hanoi?

Answer. Our measured response has not had the effect of discouraging the progress—and it is very limited progress—toward talks in Paris. That is the negative side in answering your question.

As to whether or not a different response would either discourage those talks or might have the effect of even encouraging them is the decision that we now have to make.

16. U.S. troop reduction

Question. Again on Vietnam—in connection with Secretary Laird's visit, we've heard for some time predictions that American troop levels could be cut as the South Vietnamese capabilities improved. And again last week while he was in Vietnam, we were given similar reports from Saigon, despite the high level of the fighting that's going on now. Do you see any prospect for withdrawing American troops in any numbers soon?

Answer. Mr. Bailey, in view of the current offensive on the part of the North Vietnamese and the Vietcong, there is no prospect for a reduction of American forces in the foreseeable future.

When we are able to reduce forces as the result of a combination of circumstances—the ability of the South Vietnamese to defend themselves in areas where we now are defending them, the progress of the talks in Paris, or the level of enemy activity—when that occurs I will make an announcement. But at this time there is no foreseeable prospect in that field.

17. Shelter program

Question. Mr. President, what effect, if any, will your safeguard program have on the shelter program. Can you tell us anything about your long-range plans in this direction?

Answer. Congressman Holifield, in the meeting this morning, strongly urged that the Administration look over the shelter program and he made the point that he thought it had fallen somewhat into disarray, due to lack of attention over the past few years.

I have directed that General Lincoln, the head of the Office of Emergency Preparedness, I directed him previously to conduct such a survey—we're going to look at the shelter program to see what we can do there in order to minimize American casualties.

18. Middle East stand

Question. Mr. President, if I recall correctly at the last press conference when you were discussing the meeting with General de Gaulle and the Middle East situation, you said you were encouraged by what he told you because he was moving closer to our position. I wonder if you can tell us what our position is in the Middle East and if it has changed significantly in the last year.

Answer. We have had bilateral talks, not only with the French but also with the Soviet Union, and with the British, preparatory to the possibility of four-power talks. I would not like to leave the impression that we are completely together at this point.

We are closer together than we were but we still have a lot of yardage to cover. And until we make further progress in developing a common position, I would prefer not to lay out what our position is. I don't think that would be helpful in bringing them to the position that we think is the right position.

Thank you Mr. President.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

S 1634—INTRODUCTION OF TAX SHARING ACT OF 1969

Mr. BAKER. Mr. President, on behalf of myself and Senators BELLMON, COOK, COOPER, COTTON, DOLE, DOMINICK, FANNIN, GOODELL, GRIFFIN, GURNEY, HANSEN, JAVITS, JORDAN of Idaho, MURPHY, PACKWOOD, PEARSON, PERCY, SCOTT, THURMOND, and TOWER, I introduce, for referral to the appropriate committee the Tax Sharing Act of 1969, a measure which would require the regular distribution of a specified portion of the Federal individual income tax to the States primarily on the basis of population with virtually no conditions attached.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

The bill (S. 1634) to provide for the sharing with the State and local governments of a portion of the tax revenues received by the United States, introduced by Mr. BAKER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

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

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

(See exhibit 1.)

Mr. BAKER. Mr. President, while the history of Federal assistance to State and local governments goes back to the inception of our country, it is only for the last 20 years that Federal aid has increased at a rapidly accelerating rate. In the 10 years prior to 1956 Federal aid doubled to $3.7 billion, doubled again in the next 4 years to 1960, and between 1960 and 1969, only 9 years, it has expanded from $7 billion to $18.9 billion, an increase of almost 150 percent. Moreover, the projection for Federal aid to State and local governments for 1975 is estimated at $35 to $40 billion, and former President Johnson once set the figure at $60 billion.

This leaves open the decision as to what should be the form of future Federal aid. The problem which confronts the Congress is the establishment of the most efficient delivery system for this rapidly proliferating assistance. In my judgment, it is imperative that we create a delivery system with a greater degree of flexibility. We should move away from complete reliance on particularistic Federal grant-in-aid instruments and adopt approaches which seek to strengthen the political structure and enhance the responsiveness of American federalism. This can best be achieved, as the Advisory Commission on Intergovernmental Relations has recommended, by the establishment of a combination of Federal tax sharing and general functional block grants along with Federal categorical grants-in-aid.

Under this flexible approach tax sharing would be utilized to allow States and localities to devise their own programs and set their own priorities to help solve their own unique and most crucial problems. Block grants would be used to give States and localities greater flexibility in meeting needs in broad functional areas. And categorical grants would be used to stimulate and support programs in specific areas of national interest. Under this scheme revenue sharing would supplement rather than supplant existing categorical aids.

Underlying my firm support for the concept of tax sharing is the basic conviction that strong and financially viable State and local governments are essential not only to a healthy federalism but also to the best possible performance of governmental services. Dr. Walter W. Heller, who along with Dr. Joseph A. Pechman was the first exponent of tax sharing, has stated this thesis cogently:

> In part, this simply expresses the traditional faith in pluralism and decentralization, diversity, innovation, and experimentation. For those who lack that faith—for died-in-the-wool Hamiltonians and for those who believe that the states are bound to wither away—there can be little attraction in revenue sharing or other instruments relying heavily on local discretion and decision.
>
> Yet, apart from the philosophic virtues of federalism, all of us have a direct stake in the financial health of state-local governments for the simple reason that they perform the bulk of essential civilian services in the country.

The enactment of a revenue sharing measure would thus recognize a substantial role for the States and would provide a broad scope for decentralized decisionmaking. If the benefits of American diversity are to be exploited and enhanced, then the Federal Government must aid in creating a fiscal environment that will enable States and localities to exercise wide latitude in determining their own priorities and solving their own problems.

It is particularly important that we recognize the need for viable, imaginative State and local governments. We have during the last several years witnessed an increasing concentration of effective governing authority in the Federal Government and a decreasing ability for the States, the counties, and the cities throughout the Nation to cope successfully with the seemingly limitless problems which confront them. These trends constitute a threat to the traditional system of federalism which has produced the maximum good for the maximum number with maximum responsiveness in government throughout the history of this Nation. The federal system as we know it consists of an effective partnership of governing authority between the Federal Government on the one hand, and State and local units on the other. I believe that the future of this country interrelates to a large degree with our ability to preserve this partnership system of government.

The thrust of these remarks is not an appeal to some academic concept of States rights, sovereignty or independence, nor calculated to be in derogation of the absolute requirement for a vital, effective, imaginative Federal Government. Rather, it is a plea for the reinvigoration and revitalization of the authority of State and local governments in order that they may undertake and discharge their governing responsibilities. In a word, it is a plea for refederalization.

Mr. President, apart from the virtues of federalism, the fiscal argument for tax sharing is compelling. From 1946 to 1966, State and local governmental purchases of goods and services rose 348 percent with State and local debt increasing 573 percent. During this same period States and localities made impressive efforts to meet domestic public service needs, increasing tax collections from $11 to $59 billion. In spite of this dramatic increase, as well as the substantial growth of Federal categorical aids, there has been no letup in the intense fiscal pressures on States and their local entities, and every indication is that State and local expenditure demands will continue to rise sharply.

While State and local governments are confronted with this unrelenting fiscal pressure, a somewhat different situation prevails at the national level. Because of progressive tax policies, Federal revenues tend to increase at a faster rate than the Nation's economic growth. In fact, Federal income tax revenues increase by 15 percent for every 10-percent increase in the gross national product, producing approximately an additional $8 billion in Federal revenue each year with no increase in tax rates. Looking beyond the current costs of the Vietnam war, one can visualize the $8 billion automatic annual growth in Federal revenues generating new leeway for fiscal dividends among the States.

But the fiscal dilemma of State and local governments is only the beginning. Consider the unmet needs. One has only to walk in his suburb to see the need for schools, sewers, sidewalks, street lights, and more frequent garbage collection. He has only to walk in the urban area to see streets with gaping holes and crumbling curbs, to see rundown parks and miserable housing, and even to see increasing crime and poverty. And he must not at the same time forget the rapidly expanding cost of higher education, the woefully inadequate prisons and mental hospitals, and the still-to-be-conquered problems of air and water pollution.

There is, of course, no easy answer to these problems, but the enactment of a modest tax sharing measure would be a beginning. Under the provisions of the bill which I introduce, tax sharing moneys would be placed in a trust fund from which distributions to the States would be made. The distributions would be due the States as a matter of right, free from the uncertainties of the annual appropriation process.

The bill calls for an appropriation of one-fourth of 1 percent of the Federal individual income tax base for the 1971 fiscal year. This would yield an estimated $850 million. The bill further provides for a rate increase to one-half of 1 percent in fiscal 1972 and 1 percent in fiscal 1973.

The distribution formula to determine each State's share of available moneys from the trust fund would be composed of a population factor, which expresses an approximation of the total need of a given State, and a revenue effort factor, which expresses the need and initiative of the State. The revenue effort factor would be computed as the sum of all State and local general revenue, divided by adjusted gross income in the State, divided by the national average of such a revenue-income ratio. The net result of the application of this formula to available funds would provide some premium to those States that exercise their best efforts to provide for their own requirements and also some premium to those States that have a greater fiscal need.

Of the money allocated to each State from the trust fund, a portion would be required to be distributed to local governments. The amount that must be distributed to local governments would be the proportion of locally raised revenues compared to total State and local revenues. Thus, for example, if in one State 60 percent of total State and local revenue is raised at the local level, then that State would be required to pass through to local entities 60 percent of its allocation from the trust fund. But if in another State only 40 percent of total State and local revenue is raised at the local level, then only 40 percent would have to be passed through.

The term "local government" would be defined by the statute as all general purpose local governments, including counties, municipalities, and townships, but not including school districts or special purpose districts. The money passed through would be distributed to all local governments, and the amount that each local government would receive would be determined on the basis of the local government's revenue share of total statewide locally raised revenues. This amount would then be adjusted by the local government's own revenue effort.

Under the scope of this bill the States would be given virtually complete freedom in the use of their tax shares except for the usual public auditing, accounting, and reporting requirements on public funds. A Council on Tax Sharing composed of three Governors, three local government representatives, and three representatives of the public-at-large would be established to administer the program. The Council would be charged only with the implementation of the provisions of the act and would be without authority to direct or coerce the States or local governments.

Mr. President, I wish to emphasize that I am not wed unyieldingly to the specific terms and provisions of this bill which I introduce and which I have just summarized. I have no pride of authorship, and I recognize that many different approaches could be taken in establishing the concept of tax sharing.

I also realize that in drafting any particular tax-sharing bill, numerous problems present themselves. For example, under almost any approach, data problems arise, and at the present time I do not believe sufficient data are available to quantify the factor in my pass-through formula of adjusted gross income for all local governments. However, it is my understanding that some effort may soon be underway within the Internal Revenue Service, and I do not believe this to be an insurmountable problem.

Mr. President, tax sharing was endorsed in 1968 by both presidential candidates and by both party platforms. Over 100 different revenue-sharing bills were introduced during the 90th Congress, and many of these have already been reintroduced during the current session. I am most hopeful, therefore, that the appropriate committees in both Houses of Congress will soon hold hear-

ings on this concept and on the various approaches that might be utilized.

The enactment of tax sharing would relieve the intense fiscal pressure on State and local governments. It would serve the tradition of federalism by instilling in State and local governments a new vitality and independence. It would reverse the regressive tendency in the Federal-State-local tax structures. And it would enable the economically poor States to upgrade the quality of their services.

For all of these reasons I urge the adoption of this measure.

The text of the bill (S. 1634), is as follows:

EXHIBIT 1

S. 1634

A bill to provide for the sharing with the State and local governments of a portion of the tax revenues received by the United States

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Tax Sharing Act of 1969".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "Council" means the Council on Tax Sharing established by section 8;

(2) the term "general revenue" of State and local governments means general revenue as defined by the Bureau of the Census in its publication "Governmental Finances", including taxes and non-tax revenue other than revenue from insurance trusts or from utility and liquor store sales;

(3) the term "local government" means a municipality, county, or township as such terms are used by the Bureau of the Census in its publication *Census of Governments*, "Governmental Organization", but does not include any school district or special district;

(4) the term "Secretary" means the Secretary of the Treasury;

(5) the term "State" means the several States and the District of Columbia; and

(6) the term "trust fund" means the Tax Sharing Trust Fund established by section 3.

TAX SHARING TRUST FUND

SEC. 3. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Tax Sharing Trust Fund". The trust fund shall consist of the amounts appropriated to it by subsection (b) and any amounts appropriated to it under subsection (c).

(b) There is hereby appropriated to the trust fund, out of money in the Treasury not otherwise appropriated, an amount, as determined by the Secretary under subsection (d) for the most recent calendar year for which satisfactory data are available from the Internal Revenue Service, equal to—

(1) one fourth of one percent of the individual Federal income tax base for the fiscal year beginning July 1, 1970;

(2) one half of one percent of the individual Federal income tax base for fiscal year beginning July 1, 1971; and

(3) one percent of the individual Federal income tax base for the fiscal year beginning July 1, 1972, and for each fiscal year thereafter.

(c) In addition to the amounts appropriated by subsection (b), there are authorized to be appropriated to the trust fund for each fiscal year such additional amounts as may be desirable to carry out the purposes of this Act.

(d) The Secretary shall, during each fiscal year, determine the amount described in subsection (b), and transfer the amount so determined from the general fund of the Treasury to the trust fund. Such transfer may be made on the basis of estimates made by the Secretary. Proper adjustment shall be made as soon as possible after the close of each fiscal year, to the extent the amount transferred was in excess of or less than the amount which should have been transferred, by the transfer of additional amounts from the general fund to the trust fund or by the transfer of amounts from the trust fund to the general fund.

(e) For purposes of subsection (b), the individual Federal income tax base for any fiscal year is the aggregate of the taxable incomes as disclosed by returns of the tax imposed by chapter 1 of the Internal Revenue Code of 1954 (other than returns of corporations) made during such fiscal year. For purposes of the preceding sentence, if during a fiscal year a taxpayer files more than one return for the same taxable year, only the last return so filed shall be taken into account.

(f) Determinations by the Secretary under this section shall be final and conclusive.

METHOD OF PAYMENTS TO STATES

SEC. 4. (a) Each State shall be entitled to payments out of the trust fund during the fiscal year beginning July 1, 1971, and during each fiscal year thereafter, as provided in this section.

(b) The total amount of payments to each State during each fiscal year shall be the amount determined under section 5. Payments shall be made by the Secretary not less than quarterly. Payments to any State made during the first and second quarters of any fiscal year may, to the extent necessary, be made on the basis of estimates by the Secretary in determining the amounts under section 5. Proper adjustments shall be made in the payments to any State during the third and fourth quarters of any fiscal year to the extent that payments in the first and second quarters were in excess of or less than the amounts which should have been paid.

AMOUNT OF PAYMENTS TO STATES

SEC. 5. (a) The total amount of payments to each State for each fiscal year is an amount (computed by the Secretary) equal to the product obtained by multiplying—

(1) the total amount appropriated to the trust fund for the preceding fiscal year, by

(2) the product obtained by multiplying the population percentage of such State for the fiscal year by the revenue effort percentage of such State for the fiscal year.

(b)(1) For purposes of subsection (a), a State's population percentage for any fiscal year is the percentage which the population of such State is of the total of the population of all the States.

(2) For purposes of paragraph (1), the population of each State is the population as certified by the Bureau of the Census for the most recent year for which satisfactory data are available for all the States.

(c) For purposes of subsection (a), the revenue effort percentage of any State for any fiscal year is the percentage which the revenue effort factor of such State for such fiscal year is of the average national revenue effort factor for such fiscal year. A State's revenue effort factor for any fiscal year is the result obtained by dividing—

(1) the total of the general revenue derived by such State from its own resources (including general revenue derived by the political subdivisions of such State) during a calendar year ending within such fiscal year, by

(2) the total adjusted gross income of individuals residing in such State during such calendar year as disclosed by returns of the tax imposed by chapter 1 of the Internal Revenue Code of 1954.

If the information for a calendar year for any State is not available, the Secretary may make the computation under the preceding sentence with respect to such State on the basis of information for the latest year for which such information is available.

PAYMENTS BY STATES TO LOCAL GOVERNMENTS

SEC. 6. (a) Each State shall pay to its local governments, out of the payments received by it under this Act during each fiscal year, an aggregate amount which bears the same ratio to the total amount of such payments as the total amount of general revenues derived by its local governments from their own resources for the fiscal year bears to the total amount of general revenue derived by the State and all of its political subdivisions from their own resources for the fiscal year.

(b) Each local government of a State shall be entitled to receive payments from such State for each fiscal year in an amount (computed by the State) equal to the product obtained by multiplying—

(1) the total amount which such State is required to pay to its local governments for such fiscal year under subsection (a), by

(2) the product obtained by multiplying the local revenue share percentage of such local government for the fiscal year by the local revenue effort percentage of such local government for the fiscal year.

(c) For purposes of subsection (b), the local revenue share percentage of a local government of a State for any fiscal year is the percentage which the general fund revenue of such local government for the fiscal year is of the general fund revenues of all year.

(d) For purposes of subsection (b), the local revenue effort percentage of a local government of a State for any fiscal year is the percentage which—

(1) the general fund revenue of such local government for the fiscal year divided by the adjusted gross income of individuals residing in such local government, is of

(2) the statewide average of all revenue effort percentages of all local governments of such State for the fiscal year.

(e)(1) For purposes of subsections (c) and (d), the general fund revenue of a local government is that portion of its total general revenues derived from its own resources which is not expended for school or other educational purposes.

(2) For purposes of subsection (d), the adjusted gross income of individuals residing in any local government or in any State shall be determined on the basis of the latest statistics and information available from the Internal Revenue Service.

(3) For purposes of subsection (d), the statewide average of all revenue effort percentages of all local governments of a State shall be an average weighted by general fund revenue of all such local governments.

STATE UNDERTAKINGS

SEC. 7. (a) To be eligible to receive payments under this Act, a State shall undertake—

(1) to assume the same responsibility for fiscal control of and accountability for payments received under this Act as it has with respect to revenues derived from its own resources,

(2) to make payments to its local governments as required by section 6,

(3) to furnish such information and data to the Secretary as the Council may prescribe by regulations, and

(4) to submit the reports to the Council required by subsection (b).

(b) (1) Each State shall, on or before such date prior to the beginning of each fiscal year as the Council may prescribe, report to the Council its plans for the use of the funds which it will receive under this Act during such fiscal year.

(2) Each State shall, on or before such date after the close of each fiscal year as the Council may prescribe, report to the Council on the expenditures of the funds re-

ceived by it under this Act during such fiscal year.

(3) The reports required under paragraphs (1) and (2) shall be submitted by the Governor of each State, or by such State officer as he may designate. Such reports shall be in such form and in such detail as the Council may prescribe. Neither the Council nor any other Federal agency or Federal officer shall have power to approve or disapprove the plans of any State, or the expenditures of any State, as set forth in such reports.

COUNCIL ON TAX SHARING

SEC. 8. (a) There is hereby established as an independent agency of the Government a Council on Tax Sharing. The Council shall be composed of nine members as follows:

(1) Three members appointed by the President from persons who are Governors of a State;

(2) Three members appointed by the President from persons who are highest executive officers of a local government; and

(3) Three members appointed by the President by and with the advice and consent of the Senate from persons who do not hold any Federal, State, or local government office.

Not more than five of the members of the Council shall belong to the same political party.

(b) Members of the Council who are appointed from private life shall receive compensation at the rate of $100 a day for each day they are engaged in the performance of duties as members of the Council. Members of the Council who are Governors or executive officers of a local government shall serve without compensation. All members of the Council shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of duties as members of the Council.

(c) The Council shall, from time to time, select one of its members to serve as Chairman and one to serve as Vice Chairman.

(d) Five members of the Council shall constitute a quorum.

(e) It shall be the duty and function of the Council—

(1) to oversee the operation and administration of this Act,

(2) to prescribe by regulations the information and data to be furnished by the States to the Secretary under section 7(a)(3) and the manner and form in which such information and data shall be furnished, and to prescribe by regulations the form and detail of the reports required by section 7(b),

(3) to prescribe such regulations as it deems necessary with respect to the manner in which computations under sections 5 and 6 of this Act shall be made by the Secretary and the States, and

(4) to make determinations under section 9 of this Act with respect to withholding of payments from any State.

In carrying out its duties under paragraphs (2) and (3), the Council shall endeavor to reduce to a minimum the administrative burden on the States, consistent with the needs of the Secretary and the Council for information and data to carry out their duties under this Act and of the Congress to carry out periodic reviews of this Act, and shall endeavor to keep the reports and forms required under this Act at an absolute minimum and in as simplified a form as is practicable.

(f) The Council is authorized to afford to the States such technical advice and assistance as may be necessary to assist them to receive payments made available to them under this Act and such information and assistance as they may request to assist them in the utilization of such payments.

(g) The chief administrative officer of the Council shall be an Executive Director who shall be appointed by the President and shall receive compensation at the rate prescribed for positions in level V of the Executive Schedule. The Executive Director shall perform such functions and duties as the Council may prescribe.

(h) The Council is authorized to appoint and fix the compensation of such employees as are necessary to enable it to carry out its duties under this Act. The Council is authorized to procure temporary or intermittent services under section 3109 of title 5, United States Code.

WITHHOLDING OF PAYMENTS; JUDICIAL REVIEW

SEC. 9. (a) Whenever the Council finds, after reasonable notice and opportunity for hearing to the Governor of a State, that there is a failure by such State to comply substantially with any undertaking required by section 7, the Council shall notify such Governor that further payments under this Act will be withheld until it is satisfied that there will no longer be any failure to comply. Until the Council informs him that it is so satisfied, the Secretary shall make no further payments to such State under this Act.

(b) Any State which receives notice under subsection (a) that payments to it will be withheld may, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located a petition for review of the Council's action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Council. The Council thereupon shall file in the court the record of the proceedings on which it based its action as provided in section 2112 of title 28, United States Code.

(c) The findings of fact by the Council, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Council to take further evidence, and the Council may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(d) The court shall have jurisdiction to affirm the action of the Council or to set it aside, in whole or in part. The judgment of the Court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

REPORTS TO THE CONGRESS AND THE PRESIDENT

SEC. 10. The Council shall, on or before February 1, 1972, and on or before February 1 of each year thereafter, report to the Congress and to the President on the performance by it of its functions and duties under this Act during the preceding fiscal year. Such report shall include a summary of the reports received under section 7(b)(2) from the States on their use of the funds received by them during such fiscal year and a summary of the reports received under section 7(b)(1) from the States of their plans for the use of the funds to be received by them during the current fiscal year. Each such report shall also include any recommendations for changes in the amounts appropriated to the trust fund which the Council deems advisable.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CHEMICAL AND BIOLOGICAL WARFARE

Mr. NELSON. Mr. President, Representative RICHARD MCCARTHY, of New York, has provided me with a copy of the letter which he has sent to the Secretary of Defense, Melvin Laird. The subject of the letter was chemical and biological warfare, addressed to him in the form of questions pertaining to public policy. The Congressman prefaced his question by noting that 19 Members of Congress, as well as staff, were present on March 4 for a briefing conducted by Gen. James A. Hebbeler, Director of chemical and biological research for the Pentagon. I attended the briefing with a member of my staff.

In his remarks and questions to Secretary Laird, Representative MCCARTHY made the following comment about the briefing:

> I asked that the basic public policies governing our activities in the chemical and biological warfare fields be covered in the nonclassified section of the briefings. I stressed that our national policy in this area should be subject to the same discussion, public view, and constructive criticism as are our ICBM, Polaris fleet, F-111 bomber program, and ABM system. . . . General James A. Hebbeler presented a briefing that was informative and interesting to those attending. But many of the public questions remained unanswered.

As a result Representative MCCARTHY was prompted to send a letter to the Secretary of Defense, asking some very basic questions.

Most of us are aware that the Defense Department has been engaged in chemical and biological research and that the amount of money involved has grown in recent years, notably since our involvement in Vietnam. According to the Legislative Reference Service, we are spending in the vicinity of $300 to $350 million a year on research, development, and procurement of chemical and biological weapons.

What is perhaps more significant than the dollar sign is the cloak of secrecy which has surrounded our activity in chemical and biological warfare research and development. This was adequately demonstrated in the recent NBC documentary on the subject.

The public has a legitimate right to know why the lid has been kept so tightly on the subject. If indeed our Defense authorities believe that chemical and biological warfare is easily misunderstood and misinterpreted, then we in Congress, as well as the American public, deserve to know why this is so. What is happening to produce such misunderstanding? Where does the fault lie?

Wherever there is an air of guarded secrecy, it is reasonable to expect something as potent as knowledge of chemical and biological warfare preparations to generate a certain amount of fear and outrage. For this reason it seems to me to be in the public interest for the facts to be aired in a forthright manner rather than withheld. The real issue is not just that chemical and biological warfare has grown to a more sophisticated stage of development, but that it

has also grown increasingly more difficult to comprehend.

With the prospects of warfare being more costly and destructive with every defense dollar that is spent, ignorance only breeds contempt—contempt for the means of modern warfare as well as the persons who plan for its arrival. Consequently, when it is heard that only a few droplets of the lethal chemical V–X will produce instant death, and that this chemical is being transported over our railroads and stockpiled in Army installations, we can expect many voices to be raised in protest. The protest comes at the discovery of the production of ever more lethal agents of war being concentrated in the hands of fewer and fewer persons who prefer that the intent and content of these operations not be revealed. It was not until the sheep catastrophe occurred in Utah in March 1968 that criticism was raised about the Government's chemical and biological warfare experiments. Even now there are very few facts exposed to view.

Witness the report of the episode near Salt Lake City as contained in the NBC documentary:

> The only advertisements for the U.S. test program are placed where almost nobody sees them, on lonely side roads of the great Salt Lake Desert. Dugway Proving Ground is used by the Army, Navy, and Air Force to test both chemical and biological weapons. The base is so remote that very few people knew that it existed until last March and what came to be known as the "Skull Valley Sheep Episode." A valuable herd of about five thousand sheep were buried by the United States Army. But the military consistently denied any connection between Dugway Proving Ground and the dead sheep. There were many official inquiries . . . We now know that on March 13th, at Dugway, a jet fighter released the nerve gas V–X at an abnormally high altitude. Freak winds carried it even higher, and rain dropped it onto the Skull Valley pasture.

Sander Vanocur commented on this:

> To this day the United States Army maintains there is not absolute proof that the Skull Valley sheep were killed by the nerve gas test. But it has agreed to a payment of nearly four hundred thousand dollars to the owner of the sheep. And in recent months the Army has announced more stringent safety regulations for field testing at Dugway. If the sheep episode did nothing else, it stripped away a bit more of the official secrecy surrounding CBW in this country. It also turns out that Dugway is not our only test site after all. . . .

In an article written for the New York Times magazine in August of 1968, Seymour Hersh had the following to say about other chemical and biological warfare bases and what they do. He said:

> Because of the secrecy surrounding the CBW program, it is impossible to detail completely the functions of the military bases.

Mr. Hersh went on to describe the bases as follows:

> Fort Detrick, Md.: This base, about 50 miles northwest of Washington, D.C., serves as the headquarters for the nation's biological warfare research program. Detrick controls the procurement, testing, research and development of all biological munitions and products, including all defense approaches (such as masks and vaccines). The emphasis at Detrick, however, is on the offense. The fort was set up during World War II and has been one of the world's largest users of laboratory animals since—perhaps as many as 720,000 mice, rats, guinea pigs, hamsters, rabbits, monkeys and sheep a year. Most of the nation's military work on anticrop devices and defoliants is conducted in a corner of the base where, behind high wire fences, scientists work in a cluster of greenhouses.
>
> Pine Bluff, Ark.: This arsenal usually is described in military organization charts as serving primarily as a chemical munitions base. Indeed, it was opened in 1942 as a chemical facility and still serves as an important packaging and production point for smoke bombs, incendiary munitions and riot-control agents (including CS, the potent tear gas used in Vietnam). But Pine Bluff does its most important work for the biological laboratories at Fort Detrick. It is the main center for the massive production and processing of biological agents. The germs are not only brewed in heavy concentration there but are also loaded into bombs, shells and other munitions, most of which are in cold storage depots, known as igloos.
>
> Dugway Proving Grounds: This base tests biological as well as chemical agents and is also an important research center. Studies in ecology and epidemiology have been underway for years to determine just what happens to an area after many years of testing with highly infectious biologicals. (Similar test projects are sponsored by Dugway at other locations in the nation.) The problems are incredibly complex: more than 10,000 species of life are known to exist on the huge base.
>
> Edgewood, Md. Arsenal: Edgewood is the oldest of the CBW bases; it dates back to World War I, when it served as a manufacturing site for shells containing Phosgene and other gases. It was the central plant for the production and filling of gas munitions until the end of World War II, when it was switched to research and development. Edgewood's first major job in this area was to study the nerve agents, produced by the Germans, that Allied intelligence had shipped home. A pilot plant to produce one such agent—Sarin, otherwise known as G.B.—was built and in operation on the base by the late 1940's. The arsenal is now the management and final inspection center for all chemicals and chemical weapons.
>
> Much time and money are invested in Edgewood in the quest for the perfect incapacitating agent, presumably a psychochemical or anesthetic weapon. The only such weapon known is BZ, and it has yet to see combat use. The chief problem with the incapacitating agents is the requirement for a uniform dosage level—that is, they must be capable of being spread evenly; otherwise, they might kill in areas of high concentration and have no effect at all in areas of lower concentration.
>
> Rocky Mountain Arsenal: This 17,750-acre base is 10 miles northeast of Denver and served as the main production facility for the nerve gas Sarin after initial tests at Edgewood demonstrated its feasibility as a weapon. Production of the gas was halted in 1957 after three years of furious, around-the-clock activity (insecticides are now manufactured here) but the arsenal has remained busy filling rockets and bombs with it.
>
> The Newport Chemical Plant: This installation in farm country on the western edge of Indiana, near Danville, Ill., is the Army's main production plant for VX, an improved nerve gas that did not enter the military's arsenal until the early 1960's. (VX, unlike Sarin, does not evaporate rapidly or freeze at normal temperatures. Its low volatility makes it effective for a longer period of time.) The plant was built by the Food Machinery and Chemical Corporation (F.M.C.) under a 1959 Army contract and has been operated ever since by that company. Newport produced VX nerve gas on a 24-hour schedule until late 1962, when production was slowed.

There have been speculations about the secrecy prevading the development of chemical and biological warfare. An example of an incident producing such speculation is the so-called Pacific Ocean biological survey in which both the Smithsonian Institute and the U.S. Army have been involved.

In the February 21 issue of Science magazine there is a full discussion of the evidence and activity resulting from this experiment. Says Science:

> There is absolutely no doubt that the Smithsonian is conducting a biological survey of the Central Pacific under an Army contract—that is a matter of public record. From the available evidence, it also appears quite probable—even most certain—that the Army is looking for a biological warfare test site in the Pacific and is using data turned up by the Smithsonian survey to assist in the search. The Smithsonian data is relevant because any test site would have to be located where there is no danger of germs being carried outside the test area by migratory birds or other wildlife.

As witnessed here, the Army has a stake in the Pacific Ocean Biological Survey, aside from whatever value it is to the Smithsonian. But the point is to illustrate the mystery which has covered the experiment. The terms of the agreement between the Army and the Smithsonian are sufficiently unknown to raise considerable doubt and question in the minds of those who have been kept in relative, if not complete, ignorance of what has been going on there and in other places.

If, indeed, there is extensive research and testing going on at the Dugway Proving Grounds, in the Central Pacific, and elsewhere—including a number of universities—then why has the Defense Department gone to such trouble to protect the public from knowledge of this activity? Under the cloak of national security there is reason to speculate that some of the most hideous and debasing forms of human warfare are being manufactured at the expense of the unsuspecting taxpayer. Moreover, the inevitable drive toward more sophisticated and infallible weapons systems in the arms race, coupled with the enormity of the expense, is a self-perpetrating guise under which almost any experimentation can be rationalized and carried out.

Related to the secrecy of chemical and biological warfare, there are some important questions to be asked. First, what are the safeguards with respect to the testing, stockpiling, and transportation of chemical and biological agents? The public has a right to know exactly what they are. According to a "Chemical-Biological Safety Summary" produced by the Defense Department:

> The CB program of the U.S. Army provides a safe and secure environment for CB agents and munitions, and insures that the public is properly protected from accidental exposure or injury from their effects.

The summary goes on to give broad assurances of safety due to restricted and isolated depots, minimum handling of items, security to protect from theft and sabotage, precautions pertaining to the transportation of chemical-biological

agents and munitions such as accompaniment by technical escort teams and carefully chosen routes for transit, as well as the scrutiny of a chemical safety committee at Dugway Proving Ground, plus special arrangements in the case of a mishap. The summary, however, is not as explicit as it ought to be. It assures us of safety measures but does not spell them out.

Surely many precautions have been taken by those who handle chemical and biological agents. But these matters should be subject to the full investigation and satisfaction of the Congress of the United States and not just the Defense Department. A policy of preparedness should not only include civil defense against the onslaught of enemy chemical and biological warfare, but it should include antidotes for an accidental self-imposed state of chemical or biological destruction.

With every experiment with herbicides in Vietnam and gases in the skies of Utah there will come with greater facility a day when these weapons will be relied upon as the means of warfare of the future, more subtle and less destructive to property, but just as deadly as a nuclear explosion. The public had best know how to defend against them.

This leads to a second major question. What are the official policies for the use of chemical-biological weapons in the event that they are used first by a foreign aggressor against us? Who makes the decision to deploy anthrax, the plague, or a lethal nerve gas? What are the ground rules? What have they been in the case of Vietnam? What are the deterrent factors in a program of chemical and biological preparedness? How do we militarily defend against a chemical-biological attack? If the purpose of our preparedness is to prevent surprise, what specific steps have been taken to detect a surprise?

The third question is: What commitments have we taken toward a resolution of the chemical and biological arms race? Are we diligently working for the time when we can reach a mutual agreement with other nations in a manner similar to the approach taken on nuclear testing and proliferation? What specific proposals would we be willing to offer or endorse at the United Nations or the 18-Nation Disarmament Agency in Geneva?

There is yet another point which should be considered. It hardly needs reiteration. The vast military-industrial complex has already invested billions in the armaments race while fewer and fewer dollars are being given to the alleviation of human need. The larger this military-industrial complex grows, the more difficult it is to reason with the forces and institutions of war. What next will be justified in the name of military preparedness?

There is reason to believe that last week's briefing for Members of Congress by the Defense Department was as much an occasion for displaying a need for additional funds for chemical and biological research and development as it was for answering searching questions about what already exists in this area. Is it more in the interest of the military and industrial establishment or national security that alarming odds of disparity between Russian and American CBW capacity were leaked out for public view?

Chemical and biological warfare is but another example of something, not unlike the controversial ABM system, of which Congress must be wary and which ought to be probed with some very hard investigation of the facts.

I am suggesting that the Congress should make it its business to immediately look into this matter. It should be reviewed from the historical as well as the technological standpoints. We will need to review the entire scope of chemical and biological warfare. The cloak of secrecy must be removed. It is questionable whether much that is presently hidden behind the protective shield of classified information should not be open for public debate.

In fairness to the immense threat which chemical and biological weaponry poses to the whole world, we must judge our activities in this field with a view toward initiating limitations upon the use of these terrifying agents of death. To quote a paragraph from a study done by the Senate Foreign Relations Subcommittee on Disarmament, headed by Hubert Humphrey, in 1960:

> While the dominant position of the nuclear weapon in the field of mass destruction may go unchallenged indefinitely, many scientists and students of warfare believe that the potentialities of toxic chemical compounds and disease-producing micro-organisms are such that they constitute a serious future threat to our national security. Some even believe that the magnitude of this threat approaches that of the nuclear weapon.

If this conclusion is correct, the American people ought to know that it is. They ought also to know what efforts are being made to combat the dreaded effects of these heinous forms of warfare. We are nearly 10 years further down the road to a possible chemical-biological confrontation and tragedy. Clearly it is in the interest of all mankind for Congress to seek ways of prohibiting such an awful eventuality.

I ask unanimous consent, Mr. President, that the text of Congressman McCarthy's letter, two articles from Science magazine, the text of the NBC documentary, and an article from the New York Times be inserted in the Record.

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

TEXT OF THE LETTER OF CONGRESSMAN McCARTHY

DEAR MR. SECRETARY: Recently my lack of knowledge of United States' programs and policies in the fields of chemical and biological warfare was brought home to me. I realized that I did not know, as I did concerning our ICBM's, our B-52 bomber force, our troops deployed in Germany or Vietnam, the basic reasons for these programs. I also did not know the policies that guide our use or non-use of weapons in these areas. And I did not know what safeguards are being taken to protect the American public from any danger from activities in these areas.

With the advice of my colleagues from New York State on the Armed Services Committee of the House, I asked the United States Army to give me and any other interested colleagues in the House and Senate a briefing on the basic reasons for, the safeguards, and the public policies that applied in the fields of chemical and biological warfare.

Apparently my interest was shared by many other members of Congress for 19 Members, 3 Senators, and 16 representatives from members' offices attended the briefing which was held on March 4, 1969. The number of staff would certainly have been larger had attendence, even for the unclassified portions of the briefing, not been restricted to those with active security clearances.

In discussing the nature of the briefing with the U.S. Army, I asked that the basic public policies governing our activities in the chemical and biological warfare fields be covered in the nonclassified section of the briefing. I stressed that our national capabilities and policy in this area should be subject to the same discussion, public review, and constructive criticism as are our ICBM, Polaris fleet, F-111 bomber program, and ABM system. I deliberately refrained from raising questions which I believed would legitimately fall within the area of secrecy.

General James A. Hebbeler presented a briefing that was informative and interesting to those attending. But many of the public policy questions remained unanswered. I am therefore sending to you for reply a list of the public policy questions, the answers to which are essential to an intelligent and rational appraisal by Members of Congress and the concerned public toward these programs. I would appreciate your considered answers to these questions:

1. Is it our national policy to respond in kind to a gas attack against the nation? Do we state that we will use lethal gas against a nation that launches a gas attack against us, rather than a nuclear attack? Wouldn't it be cheaper and just as effective to retaliate with another weapon with which we have had operational experience?

2. Is it our national policy to respond in kind to a massive biological weapon attack? Wouldn't it be cheaper and infinitely safer for all of mankind to respond to a biological weapon attack with other weapons with which we have had operational experience?

3. If our gas biological warfare efforts are purely defensive in nature, what steps have been taken to defend our public from these threats? Why hasn't the public been instructed as to what to do in the case of a nerve gas attack, a hallucinatory gas attack, or an incapacitating gas attack? Do we stockpile antidotes, serums, and vaccines for gas and biological attacks at medical centers and instruct people where they are? We do, after all instruct people what to do in the case of nuclear attack. We stockpile supplies in fallout shelters that are marked so that the public will know where they are. Why don't we do the same for the threat from gas and biological weapons?

4. We have been told by former Under Secretary of Defense Cyrus Vance, that the "why" of chemical and biological warfare is defense. Are our soldiers in the field, Vietnam, Korea, Germany, and sailors at sea able to defend themselves against all forms of chemical and biological weapons attack? Since we are using marginal forms of a chemical warfare in Vietnam, are our forces prepared for an escalation in the use of chemical weapons? Are our troops prepared for the possibility of the enemy responding with a stronger weapon than the incapacitating gases we use?

5. Why do we choose to call defoliants herbicides of the type we use in our own agriculture rather than chemical warfare? What defoliants or chemicals, if any, are being used in Vietnam to destroy plant life which are not customarily used in the United States? To what extent are they used? What is the distinction between a chemical that is used to destroy crops and a plant disease

from the field of biological warfare that could be used against rice or wheat?

6. Do we have in practice or in policy an anti-food policy through the use of defoliants in Vietnam? What are our plans to restore the environment of Vietnam which has been significantly altered as a result of our defoliant policy? Will we establish a commission similar to the Atomic Bomb Casualty Commission that operated in Nagasaki and Hiroshima after the war to study and correct some of the damage that we caused?

7. Why do we exclude incapacitating gases such as those used in combat operations in Vietnam from the chemical warfare category? Why are vomiting gases, incapacitating gases, and other irritants regarded as being different from other forms of gas? Apparently we have a policy of using non-lethal, or at least non-lethal by intent, gas in combat. Are there occasions under which the gases in use are or have been lethal? Under Secretary Vance has said that these gases are not chemical warfare because they are used by police for riot control and the like. Even if they are, this still appears to be a policy of using incapacitating agents as an offensive weapon. Any distinction made by Secretary Vance is semantic and once again opens the credibility gap.

8. What precautions are taken to insure that chemical and biological warfare experiments are of no danger to the public? What precautions did not work at the sheep kill at Skull Valley in Utah? What precautions are taken when the Army moves chemical agents from a plant to a storage depot or to a port of embarkation or an airfield? What are the risks if there is a train wreck? Are the agents being transported volatile? Are they inert? Are the chemicals moved in tanks under pressure? Is the statistical probability of an accidental discharge of poisonous chemicals greater than of the probability of a nuclear explosion from, say, an ABM warhead? What can be done to counter the damage that would be done if there were an accidental discharge of a chemical agent while in transit through a city or town?

9. What is the annual cost of our activities in the fields of chemical and biological warfare? What is the cost of munitions and weapons in these fields? Since comparable figures are available for our procurement and research programs on ICBM's, the ABM, Polaris, and similar forces, I assume they can be made available for our CBW program. If they can't, why can't they?

10. Do we have the capability to respond to a massive nationwide gas or biological warfare attack? That is, could we launch a similar and immediate attack against the aggressor? The deterrant effect of our ICBM's is based on the enemy's knowledge that we can and will respond. This has been a policy publically stated by the Secretary of Defense. Is the same true in the fields of chemical and biological warfare?

11. Do we have a rapid warning system that will alert the public to a chemical or biological attack?

12. Does the Army use any discretion as to what types of institutions should be encouraged or pressed into accepting funds for work in chemical and biological warfare? Does the Army see any conflict in asking a purely civilian institution, such as the Smithsonian, to do work that might conflict with the institution's future activities abroad?

13. Would the United States or any other major nation be risking its national security by dispensing with chemical and biological weapons altogether, especially in view of their many skills with weapons that have already been used?

14. Isn't it correct, as Dr. Joshua Lederberg has said, that biological weapons are regarded as a tool of dubious value at best?

Sincerely,

RICHARD D. MCCARTHY,
Member of Congress.

[From Science Magazine, Dec. 27, 1968]

NERVE GAS: DUGWAY ACCIDENT LINKED TO UTAH SHEEP KILL

(By Philip M. Baffey)

Nine months ago some 6000 sheep grazing in Skull Valley, Utah, were killed or sickened by a mysterious ailment that attacked the central nervous system. The sheep were located near the Dugway Proving Ground, the Army's chief site for field testing chemical and biological weapons, so suspicions were immediately aroused that the sheep had been felled by a lethal substance originating at Dugway. These suspicions were heightened when it was subsequently revealed that Dugway had tested highly toxic nerve agents the day before the sheep became ill.

The massive sheep kill attracted to Utah a swarm of investigators from the military, from state and federal agencies, and from various universiities. There were loud pledges from all concerned that there would be a no-holds-barred investigation into the question of what killed the sheep. For a time, while public interest in the incident remained high, status reports on the investigation were issued by the Army and by some of the civilian agencies involved. The Army generally took the line that, while Dugway was highly suspect, there was no conclusive proof as to what killed the sheep and further tests were necessary to establish the cause. At this writing, more than 9 months after the incident, there has still been no detailed report of what the investigation revealed. Brigadier General William W. Stone, Jr., of the Army Materiel Command, who headed the Army's investigation, has compiled a secret report on the incident, but the Army has not released an unclassified summary of this report and shows no inclination to do so. Nevertheless, it is possible, from the scattered statements the Army has made and from a variety of other sources, to piece together the outlines of what happened.

Virtually all the scientific and circumstantial evidence publicly available indicates that the primary cause of the sheep deaths was VX, a persistent nerve agent that was used in an aircraft spray test at Dugway the day before the sheep started dying. The scientific evidence will be discussed in more detail below, but, in brief, scientists have found traces of the nerve agent in the dead sheep and in nearby vegetation and snow water; they have established that the sheep were poisoned by an organic phosphate compound, of which the nerve agent is one; and they have shown that low doses of the nerve agent fed to healthy sheep will produce the same symptoms as those found in the sick Skull Valley Sheep. There is evidence that the sheep ingested the nerve agent primarily by eating contaminated vegetation, and that the toxic material persisted in the area for at least 3 weeks after the incident. As a result of the unfortunate incident, a high-level advisory committee, headed by Surgeon General William H. Stewart, has recommended stringent new safety procedures for Dugway, and the Army last week adopted them in toto.

ACCIDENT AT DUGWAY

How the agent escaped from Dugway may never be known beyond doubt, but investigators suggest that a combination of circumstances conspired to bring about the sheep slaughter. There was an accident during the spray test at Dugway; shortly thereafter a change in weather conditions apparently carried the agent toward the sheep and then precipitated it around them; and sheep turn out to be unusually susceptible to the agent. Had any of these factors been absent, it is conceivable—though unprovable—that there would have been no "Dugway incident."

The Army's initial reaction to news of the sheep deaths was to deny that Dugway had been doing any testing that could have caused the incident, but this posture had to be abandoned when the office of Sen. Frank E. Moss (D-Utah), revealed on 21 March that Dugway had conducted three separate nerve agent operations on 13 March, the day before shepherds first noticed the sheep were ill. The Army had supplied the information to Moss and apparently intended it to be "for official use only," but Dale O. Zabriskie, press assistant to Moss, says there was no restrictive marking on the document so he promptly released the information to Utah newsmen, much to the Army's consternation.

Surgeon General Stewart states that two of the nerve agent operations—a demonstration firing of 155-mm shells containing nerve gases, and a disposal operation involving the burning of about 160 gallons of a persistent nerve agent—have been ruled out as possible sources of the substance that killed the sheep. The third operation, in which a high-speed aircraft dispensed 320 gallons of VX in the form of liquid droplets from two pressurized spray tanks, remains highly suspect.

The purpose of the aircraft spray test, according to statements made by Army officers at an informal briefing for the Utah congressional delegation last March, was not to test the nerve agent, which had been released hundreds of times at Dugway before, but rather to test the total disseminating system, consisting of the nerve agent, the spray tanks, and the high-speed aircraft. "You test the entire configuration before you put it on the shelf," General Stone explained at the briefing.

The Army has consistently refused to say whether anything went wrong during the test, and Colonel James H. Watts, Dugway's commanding officer at the time of the incident, has even been quoted as denying rumors of a malfunction. But three sources who participated in the investigation—namely D. A. Osguthorpe, a veterinarian who acted as consultant to the Utah Department of Agriculture, G. D. Carlyle Thompson, director of the Utah State Division of Health, and Surgeon General Stewart—all confirmed to *Science* that there was, indeed, a malfunction. The malfunction resulted in the agent being released at a much higher altitude than anticipated.

The Army has publicly announced that the aircraft approached the target grid on a heading of 315 degrees true at an altitude of 150 feet (see map at right). Full details of what subsequently went wrong are not available but the following version has been pieced together from several sources.

Plans for the test called for the plane to dispense the nerve agent over the target grid, then pull up and jettison its supposedly empty tanks. But the pilot, unfortunately, has no way to shut off the tanks—they continue to discharge until they are empty. In the test on 13 March, according to investigators, one of the tanks failed to empty itself over the target grid and continued to dispense the nerve agent after the plane pulled up.

To what altitude the discharge continued is not completely clear. Colonel Watts, the former Dugway commander, has been quoted as saying the agent was released at a maximum altitude of 450 meters, or about 1500 feet. Osguthorpe, who has had access to much of the Army's data, believes the agent was carried somewhat higher. Either way, the agent was clearly within striking range of the ridge of the low-lying Cedar Mountains, which stood between the sheep and the test site. At their high point, according to the contour map distributed by Dugway, these mountains rise about 2700 feet above the Dugway flats, while at the points lying directly between the sheep and the test site, they rise only some 1200 feet above the valley. Somewhat less than 20 pounds of the VX is believed to have remained airborne after the 13 March test, according to testimony presented to a Senate appropriations subcom-

mittee last May by Lieutenant General Austin W. Betts, chief of research and development for the Army.

At the time of the test, according to the Army, the winds at altitudes below 2300 feet were generally from the south-southwest, with gusts up to 35 miles per hour. Had this wind direction continued, the agent would have been carried up the west side of the Cedar Mountains and over barren salt flats. But there was a "weak front" in the area, reported the Army, and about 2 hours later the wind shifted and blew from the west. Betts said the wind "could have carried any very small particles of VX remaining airborne over the areas in Skull Valley and Rush Valley where sheep were late affected." Betts also said scattered showers developed during the early evening after the test (which took place at 5:30 p.m.) and he added that "one of these rain showers could have washed this airborne VX out of the air and deposited it on vegetation and the ground." Snow was reported the following morning.

On March 14, the day after the test, sheep in several bands in Skull Valley just east of Dugway began showing signs of illness. One herder described the sheep as "crazy in the head." They generally acted dazed, held their heads titled down and off to the side, walked in a stilted, uncoordinated manner, urinated frequently, fell down, and were unable to get up. Dugway scientists say these are not the usual symptoms associated with the nerve agent, but it was later discovered that these symptoms can be produced by low doses of the agent.

The affected herds were located in a crescent extending generally east and northeast from the Dugway site. The nearest sheep were about 27 miles from the site of the aircraft spray test and were separated from the test by low mountains. The farther sheep were 40 to 45 miles from the test site and were located in Rush Valley, beyond a second, higher range of mountains, but near a low-lying pass through the mountains. The sheep nearest the test site were the most severely affected while the herd in Rush Valley was touched only slightly. The course of the illness in the sheep that died was as short as 24 hours and as long as several weeks.

Investigators were initially mystified that sheep seemed to be the only animals in the area affected. Horses and cattle intermingled among the sheep showed no symptoms of illness, though chemical tests did indicate a somewhat depressed level of cholinesterase in the blood, an indication the animals had been exposed to an organic phosphate compound, a class which includes the nerve agents. Dogs and humans seemed unaffected. And while a survey of the area turned up at least 15 dead rabbits, rodents, birds, and other small wildlife, there seems to be no evidence that these small animals were killed by the nerve agent. One jack rabbit was observed to show signs of incoordination and trembling, symptoms which might indicate exposure to a nerve agent. But the Army, which had the area surveyed both before and after the test, maintains that the rodent population remained essentially unchanged.

Why were sheep the only animals affected? The answer seems to lie partly in the fact that sheep are more susceptible to the agent than many animals, partly in the fact that sheep had greater access to contaminated food than most animals.

Dugway scientists stated at the time of the incident that not much was known about the effects of the nerve agent on sheep. But during the course of the investigation, according to Surgeon General Stewart, it was learned that sheep are "peculiarly responsive" to the nerve agent and succumb to "much lower doses" than would harm a human being, even a child. Moreover, sheep, it seems, die easily once they become sick. Robert H. Huffaker, a Public Health Service veterinarian who participated in the investigation, believes the first sheep that died may have been killed by the nerve agent, but those that died later succumbed to such secondary causes as starvation. "Sick sheep like to die," he says. "You won't find them crawling a mile to a waterhole on a broken leg."

The Army has stated that the sheep were apparently affected by eating contaminated vegetation, and feeding experiments conducted by the Agriculture Department's Poisonous Plant Research Laboratory in Logan, Utah, lend substance to this theory. When Logan scientists fed forage from the affected areas of Skull Valley to healthy sheep, the sheep showed a marked depression of cholinesterase activity (a sign of possible nerve agent exposure) and some of them developed symptoms identical to those observed in the sick Skull Valley sheep. In contrast, sheep placed in the affected areas but muzzled and fed only hay and water brought in from outside showed no signs of toxicity, though some investigators doubt it.

There was speculation early in the investigation that the sheep may have been sickened by licking contaminated snow, and since at least one laboratory has identified traces of the nerve agent in snow water, this may remain a possible source of the poison.

The toxic substance seems to have persisted in the area for at least 3 weeks after the incident, possibly longer. Logan scientists placed three different groups of normal sheep in the affected area on 19 March, 1 April and 4 April and all groups developed illness identical to that of the sheep in the initial outbreak. By 3 months after the incident, however, the poison had apparently dissipated. Healthy sheep fed forage collected from the affected area on 12 June, and on several occasions subsequently, showed no signs of illness.

The massive sheep kill has raised questions about the potential danger to human life. Alvin Hatch, manager of the ranch that suffered the greatest losses, told *Science* his herders often obtain their water by melting snow, though at the time of the incident they were carrying a water supply. Since the nerve agent has been identified in snow water, Hatch speculates that his herders may have had a "narrow escape."

There were also reports that one of the sheepherders and two Agriculture Department scientists who autopsied the dead sheep developed headaches, nausea, dizziness, and diarrhea, but an Agriculture Department report, dated 15 July, says "there was no confirmation that these (symptoms) were directly associated with the cause of illness in the sheep." The Public Health Service and the Army tested the vast majority of humans in the affected areas and found no evidence of nerve agent effects. Whether humans escaped harm primarily because the level of nerve agent present was too low to affect them, or because they did not wander around the range munching vegetation, is not clear from the information available to *Science*.

HAS GAS ESCAPED BEFORE?

Dugway has had no off-base chemical monitoring system, so it is impossible to tell whether any significant amounts of lethal agent have escaped in the past. The advisory committee headed by the surgeon general states that the March sheep kill "provided the first off-post event which was suspected of being connected to Dugway operations," but such a statement does not rule out the possibility that nerve agents may have escaped previously and simply failed to strike populated areas. Fay Gillette, sheriff of Tooele County, Utah, for the past 22 years, told *Science* that on several occasions some 6 or 7 years ago he received "confidential calls" from Dugway, generally in the evening, asking him to patrol U.S. Highway 40, 35 miles north of Dugway, and tell people who were stopped along the side of the road to get moving. "They never told me why and I never asked them," says Gillette. Seymour M. Hersh, author of a recent well-reviewed book on chemical and biological warfare, spent 3 weeks in Utah investigating the Dugway incident and concluded that "this is not a freak event—there have been other similar occurrences at Dugway." Hersh says he has detailed his findings in an article scheduled to appear in *Esquire* magazine.

ARMY ISN'T TALKING

The weight of circumstantial evidence—the accident at Dugway, the weather conditions, the location of the affected herds—strongly suggests Dugway was the source of the substance that killed the sheep. But even stronger evidence was turned up by scientists who participated in the investigation. Unfortunately, complete information on the scientific findings is apparently known only to the Army, and the Army isn't letting its scientists say much. *Science* requested an interview in August with Mortimer A. Rothenberg, Dugway's chief scientist, and Rothenberg agreed, subject to approval by his superiors. Such approval was denied.

The Army told *Science* it could submit questions to Dugway in writing, so four questions were mailed in on 22 August. More than 3 months passed before the answers came back. Even then, the answers were, in some respects, incomplete and ambiguous.

Fortunately, the Army is not the only source of information on the investigation. Dozens of civilian specialists from federal and state agencies and from various universities participated in aspects of the investigation, and some were actually on the scene in Skull Valley before the Army even knew any sheep had died. After considerable prodding, *Science* was able to obtain reports from two major federal agencies involved, the Public Health Service and the Agriculture Department. From these reports, and from the few public statements made by the Army, it seems clear that the preponderance of scientific evidence has implicated the nerve agent as responsible for the sheep deaths.

The most convincing evidence comes from chemical tests conducted by the National Communicable Disease Center in Atlanta, a branch of the Public Health Service. Chemists at NCDC used gas chromatography, infrared spectroscopy and mass spectrometry in an effort to find traces of nerve agent in the dead sheep or in such environmental materials as snow and grass. In a report to Utah's health director, dated 29 April, NCDC said unequivocally that chemists found traces of the nerve agent. The report's "summary of chemical results" states that:

"Water and forage from Skull Valley as well as blood and liver from ill sheep showed an agent which proved to be identical in chemical composition to a sample of the test agent supplied by Dugway.

"Rumen contents from ill sheep showed the same response on instruments as the authentic test agent furnished in water by Dugway, that is, hydrolysis products of test agent.

"Infrared chromatograms of test agent, hay, and water extracts showed similar scans indicating identity of agents under study.

"Mass spectrometry of test agent hay and water isolates *prove beyond doubt* (italics added) that these responses are in fact identical and can only be attributed to the same chemical."

CONFIRMING TESTS AT DUGWAY

Confirming chemical tests seem to have been conducted in Dugway's laboratories, though the Army is much less emphatic in asserting that it definitely detected traces of the nerve agent. General Betts, the Army's R & D chief, testified last May that Dugway's chemical analysis of large samples of vegetation from the affected area had proceeded "to the point where it was considered possible that traces of VX or a similar organic compound were very likely present." More re-

cently, in a 25 November response to the questions posed by *Science*, the Army said that "traces of agent or agent-like material were found in samples of vegetation collected at several periods of time after the March 13 incident."

The chemical tests were conducted with great difficulty, for they required instruments capable of detecting minute traces of the nerve agent and considerable sophistication in interpreting the results. Army scientists initially analyzed several hundred samples of water, soil, snow, vegetation, and wool from Skull and Rush Valleys and found no evidence of VX. Only after "very large samples of vegetation" were analyzed did the Army conclude that the agent might "possibly" be present. Meanwhile, the Agriculture Department intially thought it had detected "some similarity" between decomposition products of the nerve agent and substances in the tissues from affected sheep, but later concluded that the similarity was caused by products normally found in sheep tissue and was not significant. Agriculture officials say they also had problems with their instruments. In all, according to the Army, several thousand samples of environmental materials from a 100-square mile area were analyzed by various agencies in the effort to determine what killed the sheep.

ARMY STILL SKEPTICAL

As a result of the inherent difficulties of the analysis, some Army scientists are said to remain unconvinced that the nerve agent has been unequivocally identified. Nevertheless, NCDC Atlanta remains confident of its results, and no one has publicly challenged the seemingly conclusive findings. Surgeon General Stewart told *Science* that, at the time of the incident, NCDC had "better equipment than Dugway to detect very low levels" of the nerve agent.

In addition to tests identifying the nerve agent itself, there is considerable evidence, apparently undisputed, that the sheep were poisoned by an organic phosphate compound. These compounds are found in nerve agents, many common pesticides, and some noxious plants as well. They interfere with the action of the enzyme cholinesterase at nerve endings, and a depressed level of cholinesterase is thus considered a rather specific indication that an organic phosphate is involved. Numerous investigators have reported a severe depression of cholinesterase in the blood of the affected sheep. Moreover, the Agriculture Department has reported finding a cholinesterase depressing substance in snow collected from the area of the sheep kill. Thus it seems clear that the sheep were subjected to an organic phosphate poison, and since the investigation turned up no evidence that death was caused by poisonous plants or pesticides, the most likely culprit among the organic phosphates is the nerve agent tested at Dugway.

Further evidence implicating the nerve agent comes from feeding experiments at Dugway. When healthy sheep were fed small doses of VX, they developed essentially the same symptoms as the sick sheep in Skull Valley.

Army scientists are not convinced, however, that VX was the only cause of the sheep deaths. In its 25 November response to *Science* the Army said: "Although minute quantities of the agent were detected off-post, the results from these investigations have not provided conclusive evidence that nerve agent by itself caused sickness or death in the sheep. The answer is still unknown and may never be determined. The evidence suggests a combination of factors or effects." The Army is currently conducting experiments to determine whether the toxicity of the nerve agent is increased synergistically by the action of pesticides, noxious plants, trace elements in the soil, or the condition of sheep following the rigors of trailing and lambing. Thus far the Army has concluded that there is no synergism when sheep are fed both nerve agent and heptaclor, a pesticide which has been found in portions of Skull Valley.

Though Brigadier General John G. Appel, who has immediate command over Dugway, was quoted on 6 December as denying that the nerve agent caused the sheep deaths, the Army has accepted legal responsibility by paying $376,685 to one rancher for the loss of 6249 sheep (4372 dead, 1877 others sickened) as well as a lesser amount to some Indians who lost a small number of sheep. According to an Army letter to members of Congress, such compensation is proper, under the Military Claims Act, "where the Army's activities contributed to the loss."

NEW SAFETY RULES

The sheep kill incident has caused the Army to tighten up the safety procedures used in testing persistent lethal chemical agents at Dugway. On 5 July, Secretary of the Army Stanley R. Resor announced the formation of a high-level advisory committee, headed by the Surgeon General, to review the safety of chemical testing at Dugway. Last week, the committee's recommendations were released, and Resor announced that every single one had been ordered adopted.

The new regulations state that high-speed aircraft must maintain "positive control" over the dissemination of lethal agents and that no release of such agents shall be made above 300 feet. They also prohibit testing when wind speed exceeds 15 miles per hour, or when thunderstorms are occurring or predicted within 100 miles of the lethal cloud.

One of the most significant new rules requires that Dugway release agents in such a way that the agent cloud remains in the barren salt flats area north and northwest of the test site and does not cross heavily traveled U.S. Highway 40, to the north, for at least 3 hours (by which time the cloud would presumably have dispersed to the point where it is harmless). Heretofore, Dugway has not worried much about the direction of travel of the cloud and has counted on dilution of the cloud to render it nonhazardous. To carry out the new rules, Dugway will have to extend its ability to predict downwind behavior of the cloud from the present range of a few miles to "several tens of miles."

Another significant regulation requires Dugway, for the first time, to establish a monitoring system to detect the entry of chemicals into the environment outside the proving grounds. The system will consist of air samplers to sound an immediate alarm (though there is some question whether such samplers can be made sensitive enough) as well as ecological surveys to detect penetration of chemicals into local animal populations, both domestic and wild.

UTAHANS NOT WORRIED

Although the sheep death incident caused concern throughout the nation, the people of Utah and their community leaders did not seem particularly worried. The incident was not treated as front-page news by the Salt Lake City papers, and the Tooele Chamber of Commerce actually passed a resolution expressing confidence in Dugway, presumably because Dugway contributes heavily to the local economy. Moreover, there was virtually no reaction from Utahans when the Army revealed that lethal nerve agents, which had aroused a storm of protest in Denver, would be transferred in part from Denver to the Tooele Army Depot.

The Army has consistently said there was no negligence on the part of anyone at Dugway, so the sheep slaughter was presumably the result of inadequate safety regulations rather than a failure to follow prescribed regulations. Surgeon General Stewart told *Science* that Dugway was operating "on a set of assumptions that had worked in practice for so long that the assumptions became truths." In retrospect, the Army can clearly be blamed for a lack of caution in handling the deadly nerve agents, as well as a lack of candor in informing the public about the cause of the incidnet.

[From Science Magazine, Feb. 21, 1969]

BIOLOGICAL WARFARE: IS THE SMITHSONIAN REALLY A "COVER"?

(By Philip M. Boffey)

Early this month a program televised nationally by NBC News charged that the Smithsonian Institution is serving as a "cover" for chemical and biological warfare (CBW) activities. Specifically, the program alleged that a Smithsonian bird-banding project has served as a "screen" for efforts to locate a site in the Pacific Ocean to conduct CBW tests; and as a "cover" for an "ultra-secret test" of an "animal delivery system for CBW." The charges—made in the course of a long program on CBW activities—attracted immediate attention in many of the nation's leading newspapers. Before the hubbub had subsided, another Smithsonian project—an ecological study in Brazil—had been implicated as well.

The barrage of adverse publicity provoked alarm and indignation inside the Smithsonian. Sidney R. Galler, the institution's assistant secretary for science, was called away from a scientific meeting to investigate the charges. On the basis of his findings, he told *Science* "unequivocally" that the Smithsonian "has never engaged in any kind of biological warfare research." He also said there is "no evidence" that the Smithsonian has served as "an unwitting dupe or cloak for some kind of biological warfare research." He said charges that the Smithsonian is helping the Army find a CBW test site, or was involved in a secret test, are "absolutely without foundation."

POSSIBLE REPERCUSSIONS

Galler said Smithsonian scientists are "all shook up and really heart-broken about this kind of dastardly accusation." He expressed particular concern that the adverse publicity would undermine the Smithsonian's delicate international activities, and its relationships with the scientific community in this country and abroad.

The Smithsonian's bird study has excited such controversy that it is worth examining the project in some detail to determine just what the Smithsonian has done. There is absolutely no doubt that the Smithsonian is conducting a biological survey of the Central Pacific under an Army contract—that is a matter of public record. From the available evidence, it also appears quite probable—even almost certain—that the Army is looking for a biological warfare test site in the Pacific and is using data turned up by the Smithsonian survey to assist in the search. The Smithsonian data is relevant because any test site would have to be located where there is no danger of germs being carried outside the test area by migratory birds or other wildlife.

But there is no good evidence that the Smithsonian has either participated in, or served as a "cover" for any CBW activities. NBC never bothered to define precisely what it meant by "cover," but in modern spy terminology the word would seemingly imply either that (i) Smithsonian scientists carried out military activities while pretending to be engaged in research, or (ii) military personnel posed as Smithsonian scientists, or (iii) the Army, in order to hide its intentions, used the Smithsonian to perform research that should normally have been performed by the Army itself. None of these seems to have been the case.

Nor is it clear whether the Smithsonian should be condemned, or praised, for undertaking the project. Indeed, the whole episode provides a striking illustration of how an institution can get caught in a

changing moral climate. What seemed "good" or "acceptable" 5 or 6 years ago is often deemed "suspect" today.

The Smithsonian project—known officially as the Pacific Ocean Biological Survey—has been conducted for about 6 years in a central Pacific area covering more than 4 million square miles of open ocean, dotted with islands and atolls. The area includes the Hawaiian, Line, Phoenix, and Tokelau island chains, as well as various individual specks of land. The goal of the project, from the Smithsonian's point of view, is to learn what plants and animals occur in the area, and, in particular, what factors determine the distribution, abundance, and migration of birds. Some 2 million birds have been banded, mostly in the central Pacific, but also on islands as far away as the Pribilofs in the Bering Sea.

INITIATED BY ARMY

According to S. Dillon Ripley, Secretary of the Smithsonian and an ornithologist himself, the survey has produced "terribly exciting" scientific data on such "mystery birds" as Newell's shearwater, whose breeding and migrating habits were previously unknown. "It's a wonderful project from the scientific point of view—the fulfillment of a dream," Ripley says.

The project was apparently instigated by the Army, but the Smithsonian jumped at the chance to carry it out. Philip S. Humphrey, director of the project and also director of the Museum of Natural History at the University of Kansas, told Science that in the summer of 1962 military officials came to the Smithsonian for help in finding a university that might be interested in conducting an ecological study in the Pacific. Instead of suggesting another institution, however, Humphrey, who was then curator of birds at the Smithsonian, put together a proposal himself, and the Army accepted it. The project started in 1963. By the time it is completed next June, it will have received an estimated $2.8 million in Army funds, a sum which Humphrey feels was simply not available from any other source. Army scientists say they had to hire an outside organization to carry out the study because the Army's ornithological capabilities are "limited, to say the least."

Humphrey insists that "the project is not Army-directed research—it's Smithsonian research supported by the Army." He says that "the military at first wanted to restrict me to a narrow geographic area, but I said, 'No. If the Smithsonian is going to do it, we'll do it my way.' And they gave in." The Army has exerted some influence on the survey by requesting additional data on certain islands, Humphrey said, but in each case the Smithsonian scientists were delighted that the Army was willing to finance additional work.

The project has clearly had some relationship to the Army's CBW program. Humphrey said it was originally administered from Fort Detrick, Md., the Army's biological warfare center, but the latest contract, effective 1 August 1968, has been administered through the Army Research Office, perhaps because the Army sensed trouble was brewing. Moreover, Smithsonian scientists have regularly sent blood samples, ticks, live birds, and other specimens collected in the field to Detrick and to the Desert Test Center in Utah, another CBW installation. Smithsonian officials say it is "relatively common" to perform such collecting services for a granting agency.

WHAT THE ARMY WANTS TO KNOW

Why is the Army, and, in particular, the CBW establishment, interested in the Smithsonian's bird survey? The official explanation put forth in statements over the past year is that the Army is studying (i) the natural distribution of diseases in the area as they may affect the health of servicemen and civilians; (ii) the impact of U.S. installations on local bird populations; and (iii) the problem of collisions between birds and aircraft at airports on small Pacific islands. An Army statement submitted to the Senate Foreign Relations Committee last year said the survey had shown that U.S. activities in the Pacific had not reduced bird populations; that bird populations are much larger than previously suspected; that migratory habits of several species of birds are different than previously believed; and that several species of birds are susceptible to certain diseases, and, in fact, carry diseases. The statement said "at least one new disease of humans was found." (The Smithsonian stresses that it is not doing disease work itself; it is merely supplying blood samples and field specimens to the Army.)

Almost no one believes that the Army's explanation of why it is interested in the project is the complete truth. In fact, Humphrey, the project's director, says he learned "fairly early" in the survey "why the military is interested in this in a general sense." He says he is "sure" the Army wants to test CBW in the Pacific and is looking at the findings of the ecological survey to be certain that any potential site is "safe." But he says the Smithsonian itself is not trying to pick such a site; it is simply trying to learn more about the animal and bird populations of the area.

Some ecologists suggest that the Smithsonian project may actually prevent the Army from conducting tests in the Pacific (assuming such tests have not yet been held), for it may demonstrate that no site is sufficiently "safe." Indeed, there are unconfirmed rumors that the Army was not at all eager to finance the costly, time-consuming project, but only did so to satisfy safety objections. If this is so, it raises an interesting question for the CBW critics: Should the Smithsonian be condemned for aiding CBW activities, or praised for throwing a roadblock in the way of a potentially reckless CBW venture?

A few of the Smithsonian's critics have suggested there is another purpose behind the project. They claim information on bird migration patterns and bird diseases will enable the Army to develop a bird delivery system for germ warfare. Humphrey calls such suggestions "ridiculous" because "while birds in a statistical sense may have predictable migrations, in an individual sense you don't know what the hell they're going to do." A Defense Department fact sheet states unequivocally: "We have not been studying birds as potential carriers of biological warfare agents."

The Smithsonian project was classified for most of its existence, according to Humphrey, but it was declassified at the Smithsonian's request last August. In retrospect, Humphrey believes classification may have been a tragic mistake, for it roused suspicions and made the project seem mysterious.

At times, the secrecy fetish seemed extreme. Robert Standen, a junior college teacher and graduate student in Los Angeles, who worked as a field investigator for the project in 1964–65, says he was instructed not to mention that he was on a Defense Department contract. Similarly, Victor B. Scheffer, a biologist with the U.S. Fish and Wildlife Service, says he was on the Pribiloff Islands in 1965 when two Smithsonian field men came through banding birds. When asked what they were doing, Scheffer says, the men replied: "You can see we're banding birds, but we can't tell you why."

REASONS FOR CLASSIFICATION

The Army, and some Smithsonian officials, claim the project was classified merely because many of the sites visited, and the military ships used for transportation, contained classified military equipment. But Humphrey believes there were additional reasons. He believes the Army wanted to hide Fort Detrick's connection with the project and suppress information that would indicate locations in which the Defense Department wanted to undertake activities.

Humphrey insists that the survey's scientific findings have "never, never, never been classified." He acknowledges that the Defense Department has prevented publication of a few of the project's reports, but he says this is for reasons unrelated to the scientific data. The project has already published some 45 scientific papers, and Humphrey says that all of the research results will ultimately be published.

The repercussions caused by the bird project secrecy have reinforced a feeling that the Smithsonian, which conducts numerous projects in sensitive foreign areas, had best avoid classified research in the future. Ripley, who joined the Smithsonian in 1964, said that when the project was undertaken in 1962–63 the Smithsonian could see "no particular harm" in agreeing to restrictive conditions that seemed "routine boiler plate." But as antipathies have developed toward secret military research in recent years, Ripley said, it has become clear that the Smithsonian must avoid any hint that it is "doing undercover things for the Army."

Ripley says he knows of no other classified research being performed by the Smithsonian. Two years ago, he says, he turned down a project related to Vietnam because "I didn't want to see the Smithsonian mixed up in something that could be assumed to be related to the war." Ripley added that the Smithsonian would hesitate to undertake any research for the Defense Department—even if it were unclassified—in areas of the world that are "pathologically sensitive."

All in all—if one can accept the testimony of the scientists involved—the Smithsonian has behaved much like hundreds of other institutions and researchers who accept Defense Department support. It is conducting a basic research project that it believes has great intrinsic merit; it is accepting Army money to finance the project; and the Army presumably is using the results for military purposes.

But NBC, and some of the newspaper reports, have implied something more: they have suggested that the Smithsonian is serving as a "cover" for military activities. The charges are worth examining in some detail, for, on close inspection, they turn out to be marred by the use of loaded words and guilt-by-association reasoning.

NBC's allegations were aired on 4 February on a program called "First Tuesday." The program, which uses a "magazine format," presented several topics that night, ranging from an examination of ornate bathrooms to a tour of the Sinai peninsula, but its major segment was a long exploration of CBW. The program hit hard at the secrecy surrounding CBW activities, and, in a somewhat doomsday atmosphere, showed animals convulsing and dying from the effects of CBW agents.

The first hint of the revelations to come concerning the Smithsonian was supplied by NBC reporter Tom Pettit, who described the extent of the CBW test programs and then added: "There has even been an ultra-secret test project in the Pacific Ocean, conducted under a cover of bird-banding study." A few minutes later, after two brief preliminary interviews, Pettit supported this charge by introducing Robert Standen, the Los Angeles teacher who had once worked for the Smithsonian project. Standen described a typical day's work, and then Pettit dropped his bombshell. He revealed that "Standen later took part in an ultra-secret military CBW project in the Pacific."

In a rather confusing question-and-answer sequence, Standen said that he had never told the Smithsonian about the military test, and that the test involved a "biological carrier." He refused to say where the test had taken place.

Reporter Pettit then filled in the blanks by announcing that NBC had learned from

other sources that the 6-week test was conducted in the spring of 1965 on Baker Island, a 1-square-mile U.S. possession some 1700 miles southwest of Honolulu. Pettit said Army, Navy and Air Force personnel were "testing animal vectors, or carriers, to see how they would behave in a tropical climate. No germs were involved. In effect it was a checkout of an animal delivery system for CBW."

What was the Smithsonian's involvement in this military test? "The Smithsonian never knew what it was about," Standen told *Science*. Standen said the Army asked the Smithsonian project to send an observer along so that, if the test caused biological changes on the island, the Smithsonian scientists would understand what had happened. As it turns out, Standen said, there were no changes, so Standen left the island after 12 days, well before the end of the test.

Standen said the Army refused to tell one of the Smithsonian project's ranking scientists what the test was about. He also said that he himself was barred from a meeting aboard ship at which the objectives of the test were apparently discussed, and that he was instructed not to tell his Smithsonian colleagues about anything he had seen.

Shortly after the NBC program, the Defense Department acknowledged that "some years ago" it had conducted "classified biological warfare-related testing for purely defensive requirements at Baker Island and other Pacific islands." The Defense Department said "These tests involved no Smithsonian Institution personnel and no actual BW agents were ever used."

Thus the Smithsonian's only involvement with this test seems to be that the bird project allowed one of its field men to accompany the military team, almost as an "outcast." NBC's use of the word "cover" to describe this situation seems highly misleading. As far as Standen, NBC's star witness, is concerned, the Smithsonian bird project "is not a cover for anything."

After finishing with Standen, reporter Pettit, then moved in with his clinching evidence. He revealed that former Senator Joseph S. Clark (D–Pa.), "when he was in the U.S. Senate, learned of a direct connection between the Pacific bird project and CBW testing." Clark then stated: "Well, as I understand it, under the screen of the Smithsonian Institute in a bird-banding project, they were looking for a relatively safe place to conduct chemical and biological warfare testings. This resulted in their picking one of the islands in the Hawaiian Chain, probably a pretty small one. It is my understanding that they are now on their way to do some testing there."

And where did Clark, the clincher in NBC's case, get his evidence? "I took that largely from NBC and from Tom Pettit," Clark told *Science*. "Pettit said there was no doubt about it. It was all documented in the NBC documentary." When pressed as to whether the NBC program really did prove that the Smithsonian had been used as a "screen," Clark acknowledged: "We could be wrong. I'm not so much concerned with whether the Smithsonian is covering up for the Army as with the fact that the Army is engaging in utmost secrecy, and the American people have no opportunity to know what is going on."

The allegations about the Smithsonian were virtually the only part of the NBC program to receive extensive coverage in the press. Unfortunately, some of the nation's leading newspapers seem to have been as casual as Senator Clark in their treatment of the charges. The New York *Times* put the weight of the prestigious Senate Foreign Relations Committee behind the allegations by asserting, in the opening paragraph of a story published on 5 February, that the committee's staff "has obtained information suggesting that the Army, under the guise of a bird study by the Smithsonian Institution, is looking for a remote Pacific site to conduct experiments in chemical-biological warfare." The *Times* said that Senator Clark, a former committee member, had based his statements to NBC on information obtained from the staff.

However, the staff does not seem to have much information. The only evidence mentioned in the *Times* was a letter from E. W. Pfeiffer, professor of zoology at the University of Montana, who wrote that he had "learned from an absolutely reliable source" that the purpose of the project was to locate a test site; plus indications that CBW officials are interested in the project. Peter B. Riddleberger, the staff's CBW specialist, told *Science* the Foreign Relations Committee has no other evidence that has not investigated the Smithsonian project. Indeed, the *Times* article acknowledged, in the last paragraph, that the Army's alleged interest in the Smithsonian project for CBW experiments had not been "conclusively established."

Thus, the evidence cited to prove that the Smithsonian has been used as a "screen" or "cover" seems flimsy indeed. It consists of a confused description of a military test in which the Smithsonian does not seem to have been directly involved; a casual charge by a former senator who says he got his information from NBC and admits he could be wrong; and an uncorroborated letter to the Foreign Relations Committee which quoted an anonymous source and which, incidentally, never once mentioned the word "cover."

Some press reports linked a Smithsonian project in the Amazon delta, also directed by Humphrey, with the Pacific Bird Project. The Amazon project involves a collaborative effort, with the Brazilian government, to study the ecology of a tropical rain forest, including birds and virus diseases. No one seems to have charged that this project, too, is a "cover," but some reporters have suggested that the findings might be useful in CBW. The project, which is unclassified, is supported by the Brazilian Ministry of Agriculture, the National Institutes of Health, the Rockefeller Foundation, the Smithsonian, and, at Humphrey's request, the U.S. Army and Air Force.

Smithsonian officials are outraged at what they regard as "irresponsible reporting" by the mass media. Project director Humphrey, who presumably knows more about the bird study than anyone else, says he was never contacted by NBC. Galler, the Smithsonian's assistant secretary for science, says he had one brief phone conversation with Tom Pettit, in which Pettit asked several general questions but never once raised the question of CBW. However, Pettit told *Science* his notes indicated he specifically asked Galler if the Smithsonian knew of a relationship between the Pacific Ocean Biological Survey and chemical and biological warfare testing. Pettit says Galler replied: "To the very best of our knowledge there is absolutely no relationship."

Any ethical judgment as to whether the Smithsonian's bird project is "good" or "bad" depends, of course, on one's own moral code. But from a practical standpoint, one can question whether it was wise for an institution with highly sensitive international dealings to accept a classified defense contract, or to send a man along on a military expedition, however innocent his role may have been. Perhaps the real lesson of the whole episode is that, in these highly charged times, an institution that wishes to maintain an unblemished reputation can't merely follow its traditional mores—it must consider the changing values of the public as well.

NBC NEWS' PRESENTS CHEMICAL-BIOLOGICAL WARFARE

(Prepared by: Script Transcription Associates, Inc.)

CBW: THE SECRETS OF SECRECY

VANOCUR. Tonight, you will see an industrial film about a product called Death. The product is being tested by an agency of the United States government. It is produced by the United States government which is developing a full line of the product under the brand name CBW. As in all good industrial films, the product is demonstrated . . . with emotion or without exaggeration.

NARRATOR. This laboratory animal is about to be exposed to a nerve gas. An Army Chemical Corps technician draws up a very small amount of the nerve gas, which is in a liquid state. Through an opening in the top of the enclosure, a droplet is released. Exposure to nerve gas now begins. A current of fresh air continuously maintained inside the enclosure draws the nerve gas vapors over the rabbit. Though the amount of nerve gas is minute, and the time of exposure to it probably no more than a few seconds, the animal is already beginning to feel the effects. It becomes increasingly difficult for the animal to stay on his feet. General weakness and lack of muscle control become more apparent. Twitching, convulsions, and gasping now set in and become progressively stronger. After approximately two and one-half minutes, the animal is in the last stages . . . generalized convulsions and unconsciousness. The rabbit stops breathing and finally, death occurs.

PETTIT. The United States also has nerve gas for people. These artillery shells are filled with the nerve gas, code designation V–X. V–X is a major weapon in America's arsenal for chemical, biological warfare . . . CBW. My name is Tom Pettit. I have been studying CBW for six months. The report you are about to see was prepared without the co-operation or approval of the Department of Defense. For years, the entire subject of CBW has been shrouded in official mystery, a cult of secrecy. The U.S. Army arsenal at Pine Bluff, Arkansas, 35 miles southeast of Little Rock is one of the places the Army would not let us enter. The Army has spent more than a hundred million dollars here on biological warfare facilities. Somewhere on these fifteen thousand acres of Arkansas countryside there is a germ factory, a pilot plant to produce microbes for war. The Army does not like unauthorized reports about CBW. It prohibits all photographs beyond the gates of secret bases like Pine Bluff.

The British are much more open at their biological warfare research center. Last fall, we were allowed to photograph some of the laboratories at Porton, 80 miles southwest of London. Even laboratory work can take on the appearance of a medieval executioner's ritual. The British emphasize that the work here is purely defensive . . . designed to develop masks and vacoines. But to do this requires detailed information on how germs can be used as weapons. The knowledge of biological weaponry developed at Porton is given to the United States military for its own use. For one thing, British scientists have learned how to mass produce germs. The first step of the process is called seeding. It is very delicate work, requiring the skill of a master chef, preparing a favorite recipe.

Disease organisms are planted in a gelatin-like substance. This is where they will take root, grow, and reproduce. The British even turn out high-quality germs for export to scientists in other countries. At Porton, as in the United States, scientists have studied anthrax, brucellosis, the plague, and more exotic diseases: o-fever, encephalities, rabbit fever. They even combine them in a sort of germ cocktail, guaranteed to kill. The scientists at Porton have earned an international reputation for their expertise. They

also have done major work on immunization using chicken embryos to provide the raw material needed to produce living virus cells. This is how Porton developed new vaccines for undulant fever, anthrax, and the plague . . . all potential weapons. In 1957, they produced a rush order of three-quarters of a million doses of vaccine against the Asian flu. One English commentator interpreted this to mean they could produce three quarters of a million doses of a disease just as easily. In this sealed air chamber, scientists at Porton have demonstrated that airborne microbes can remain alive and virulent for as long as 24 hours. This laboratory finding proved the military feasability of biological warfare. Germs sprayed from enemy airplanes would still cause infection when they reached the ground. Any country with a good-sized brewery could manufacture the germs with essentially the same technology used to make beer. Britain actually tested biological weapons in 1941, when there was fear that the Axis powers might use germ warfare. In one test, the remote island of Gruinard, off the northwest coast of Scotland, was sprayed with anthrax bacteria. The targets were sheep. They died. But the anthrax bacteria were so durable that the island still is unsafe for people, 28 years later. It is expected to remain that way for at least another one hundred years.

VANOCUR. Some military men believe that biological weapons would determine the balance of world power in the event of effective nuclear disarmament. Some believe that Russia is ahead of us in the development of both chemical and biological weaponry. No one knows for sure, but it is believed that the United States spends a million dollars a day on CBW. Ironically, this is about the same amount Russia spends every day to subsidize Cuba. But we do not know how much Russia spends on CBW. Everyone prefers to think of CBW as a combination of mystery and myth, even it's history.

The conventional or accepted history of chemical warfare blames Germany for first using poison gas . . . a chlorine attack against the British and French in April, 1915. But eight months earlier, the French had used tear gas against the Germans. Most people have forgotten that after the first German chlorine attack, both sides used poison gases until the end of the War in 1918. Chlorine, phosgene, and mustard gas. The United States Army organized a unit and called it The First Gas Regiment and it saw action on nearly every section of the western front. It participated in the campaigns of Chateau-Thierry, Saint Mihiel, and Meuse Argonne. The United States spent on the order of seventy million dollars, just to manufacture poison gases for combat, in World War I. In mobilizing for World War II, the United States expanded its poison gas production facilities at Edgewood Army Arsenal, Maryland, and elsewhere. President Roosevelt pledged in 1943 that we would not use such weapons unless they were first used by Germany or Japan. They were not. But in 1945, we had nearly twice the gas supplies of the enemy, though nothing as deadly as Germany's secret nerve gas.

ANNOUNCER. Uncovered in the American zone in Germany, 75,000 tons of Nazi poison gas are loaded aboard ships for destruction. One type, deadliest of all, attacks the skin, lungs, and bloodstream and can kill a man in two minutes. The obsolete S.S. Alcobanner heads out on her last journey, for the only practical way to dispose of this deadly gas cargo is to send it to the bottom of the sea.

VANOCUR. Germany had not used the nerve gas, presumably from fear of retaliation, even though in fact we did not possess nerve gas. The allies destroyed much of the captured gas, but on the Eastern front, the Russians had captured an entire nerve gas factory, giving them a headstart in chemical weaponry for the Cold War.

PETTIT. After the war, and in great secrecy, the United States also went into the nerve gas business. We built at least two full-scale factories to produce nerve gas. One is on the isolated plains of Western Indiana, not far from the small farming community of Newport. It cost more than thirteen million dollars to put up this plant, and for nine years it turned out a high quality nerve gas called V–X. Then last fall, it was quietly decided that American stockpiles of nerve gas are adequate, at least for now. There have been no Pentagon press releases about Newport because the Defense Department seldom publicizes chemical weapons. One rare exception was a film about military Psycho-Chemicals. It was released in the late 1950's and widely shown on national television news programs.

The so called cat and mouse experiment demonstrated a chemical, which would put an enemy soldier out of action but not kill him. In the first part of the experiment, the cat's behavior was normal. Then the chemical, an experimental drug, was administered to the cat. At the time, the name of the drug was withheld, but its effect was self-evident. A complete reversal of normal emotions. The cat became afraid of the mouse. It is now known that this was a demonstration of LSD and the cat was merely on a bad trip. LSD turned out to be impractical but we did develop a number of other chemicals designed to incapacitate. At the same time, production of chemicals that kill went on. Just after the Korean War started, a forty million dollar nerve gas factory was built at the Rocky Mountain arsenal near Denver. The Army rules on secrecy have been inconsistent, to say the least. In 1954, the Hearst Metrotone Newsreel company was permitted to take these films. But in 1963, NBC was denied permission to enter the plant, even after the Denver Post had been allowed to document the loading of shells, bombs, and rocket warheads with nerve gas in liquid form. One ton tanks of liquid nerve gas were stockpiled in quantity on the grounds of the Rocky Mountain Arsenal. But with air traffic increasing at the adjacent Denver airport, and the city itself expanding, the Army became sensitive about publicizing the storage of nerve gas at the arsenal. The supposedly-secreted stockpiles were clearly visible, however, to passengers flying in and out of Denver, even though photographs on the ground were prohibited. The factory itself is no longer producing nerve gas; and then late last summer, the Army started to remove the nerve gas supplies.

TUTTLE. This is Lt. Terry Tuttle at the Rocky Mountain Arsenal. This information was released by the Department of the Army on August 22, 1968 concerning the movement of toxic agents at the Rocky Mountain Arsenal. Most of the toxic materials now at the Rocky Mountain Arsenal will be moved. This includes toxic materials of all types. Details are classified.

PETTIT. About half the nerve gas at Denver was shipped by rail to a remote Army depot, 35 miles southwest of Salt Lake City. This is the principal nerve gas storage point within the continental United States. The amount stored here is secret. In every other respect, there is more secrecy surrounding CBW in the United States than about hydrogen bombs. Canada also has a CBW establishment. The Canadian base was set up on the bleak prairie of Alberta, early in 1941, when wartime secrecy concealed its existence. Even today, a traveller on the highway southeast of Calgary is not likely to stop for a sight-seeing tour. But there is far less official mystery than in the United States. We were allowed inside on the basis of a single telephone call to the Canadian Defense Research Board. By national policy, the station at Suffield works only on defensive measures.

But the findings are shared with Britain, Australia, and the United States. Samples for some of the experiments are supplied by the United States. This technician is working with a concentrates liquid nerve gas, code letters G–B, the material which was produced at the Rocky Mountain Arsenal. He is diluting it for use in an experiment. Pure G–B is colorless and odorless in liquid or vapor form. A few drops on the skin or a few deep breaths of concentrated G–B would kill in minutes. Like other nerve gases, G–B is chemically similar to a good bug killer. It attacks the human nervous system . . . just as an insecticide kills bugs. Canada does extensive animal studies with G–B. Once the liquid nerve gas is diluted, men can work without masks and usually do. It remains a liquid at room temperature. One carefully measured microgram . . . a few billionths of an ounce . . . of G–B will be dropped into one eye of the rabbit as part of an experiment to study the non-lethal effects of nerve gas. Canada has done exactly the same experiment on human volunteers. Within seconds, the pupil of the eye contracts sharply. This condition, known as miosis, reduces night vision. In combat, this could happen to a soldier before he knew what was happening. Full recovery from miosis takes up to three weeks. This test shows that a nerve gas attack could reduce the fighting effectiveness of unprotected troops, even if they were not killed outright. The Suffield laboratories also are testing new antidotes for victims of nerve gas. So far, they have found nothing better than the standard antidote, a chemical called atrophine. Ironically, nobody knows why atrophine works, but it does. You are looking at a living mouse heart, sustained by oxygen and a nutrient solution. Injection of a nerve agent causes paralysis of the nerve endings; the heart slows down and stops. The electro-cardiograph falls to zero. Injection of atrophine, if done quickly enough reverses the nerve paralysis and the heart resumes beating. The Canadian laboratory has been doing animal exepriments for many years. For the technician, killing with nerve gas is just part of the day's work. Many people working in CBW today have been in the business for twenty or twenty five years. They have a vested interest in CBW. Most are convinced that these are the weapons of future wars.

This vial contains the nerve gas G-D in dilute solution for injection into the laboratory mouse. CBW researchers are always trying to improve the product through testing. G-D is one of hundreds of nerve gases, each a slight variation of the same basic formula. G-D is more resistant to atrophine. All of them kill as G-D kills very quickly.

Exercise Vacuum was conducted last Fall at Suffield by Canadian, British, and United States troops. While Exercise Vacuum was never announced in America, it was openly reported on Canadian television.

WARREN. Military and scientific authorities emphasize that the exercise was strictly a defensive one. It was a test of man, equipment and procedures against the hypothetical enemy equipped with chemical and biological weapons. That means germs and nerve gas, but they don't use the term very often around here. It was the first time Canadian troops have been tested in a full scale CW, that's Chemical Warfare exercise. The men were forced to wear respirators and protective gear for as long as fourteen straight hours while performing their military jobs. The men had simulated nerve gases shot at them, sprayed at them from aircraft and blown up around them in mines in pre-contaminated areas. The stimulant used was such that a badly equipped or careless soldier suffered irritating symptoms similar to those of a mild shot of tear gas and they discovered that sleeping, eating, and other functions could be difficult in full protective equipment. The scientists say Canada has no weapons for waging chemical and germ warfare . . . only for defense. John Warren, CBC News, at the Defense Research Establishment, Suffield, Alberta.

VANOCUR. In contrast to Canada and England, the United States does have weapons for waging chemical and biological warfare. That report will be next.

VANOCUR. As we said the United States does have weapons for waging chemical and biological warfare. We test them in Utah at a base which was nicely obscure until an accident last Spring, at the Dugway Proving Grounds, eighty miles Southwest of Salt Lake City. Here is Tom Pettit.

PETTIT. The only advertisements for the U.S. test program are placed where almost nobody sees them, on lonely side roads of the great Salt Lake Desert. Dugway Proving Ground is used by the Army, Navy and Air Force to test both chemical and biological weapons. The base is so remote that very few people knew that it existed until last March and what came to be known as the "Skull Valley Sheep Episode". A valuable herd of about five thousand sheep were suddenly wiped out. Most had been grazing in Skull Valley, twenty miles North of Dugway. Some were forty miles away. All were buried by the United States Army. But the military consistently denied any connection between Dugway Proving Ground and the dead sheep. There were many official inquiries. The governor of Utah named a special investigator, Dr. D. A. Osguthorpe, a veterinarian, who looked first for physical damage to the sheep, or what a veterinarian would call "pathology".

OSGUTHORPE. The main effect is upon the nervous system. There was one thing about . . . I noticed about the sheep, that there was no pathology what so ever with these sheep. The gastro-intestinal tracts, the circulatory systems, musculature were all perfectly normal from a pathological standpoint, but the animals were dead, mainly from suffocation due to the fact that there was no connection between the muscles they used . . . that these animals used to breathe and the respiratory center, and as a result, they were not able to take in sufficient oxygen and they died of suffocation. After several days of, of um, questioning, why the Army finally admitted that they had conducted experiments in the area with nerve gas agents.

General STONE. There are too many confusing aspects. We have been working in this area for twenty-five years, in this particular part of this country. With complete safety and impunity and we have never done anything to damage the surrounding area. If we are the cause of this, we have a problem.

Lt. Col. BLACK. No other form of animal life has evidenced any symptoms whatsoever, although they are located in the same area where the sheep are dying. Horses, cows, dogs, birds, and rabbits.

OSGUTHORPE. This is a rabbit showing the effects of the poisoning. This is very typical, you can see the tribulation. Notice the trembling of the hair on the rabbit. See there . . . see the very minute tribulation.

PETTIT. Did this rabbit die, do you know?

OSGUTHORPE. This rabbit died, yes. Here again you . . . you just saw the, the muscular incoordination that this compound produces.

PETTIT. This is the same thing that happened to the sheep then, that is happening in this rabbit?

OSGUTHORPE. Yes.

PETTIT. The U.S. Department of Agriculture studied the surviving Skull Valley sheep and some animals which the Army tested at Dugway. USDA needed Army clearance merely to report on the findings of the Dugway test.

VAN KAMPEN. These animals were given low levels of the nerve agent. And after a short period of time they developed the same droopiness of the head and twisting in the spine as had been seen in the Skull Valley sheep. Symptoms have persisted for as long as three months in some of the animals.

PETTIT. Or longer?

VAN KAMPEN. Or longer. We have several here that have had the symptoms persist for six months.

PETTIT. In your view then, there is absolutely no doubt that the cause of the sheep dying and becoming sick in Skull Valley was a nerve agent.

VAN KAMPEN. Certainly connected with the nerve agent, yes.

PETTIT. We now know that on March 13, at Dugway, a jet fighter released the nerve gas V-X at an abnormally high altitude. Freak winds carried it even higher, and rain dropped it onto the Skull Valley Pasture. Dr. Osguthorpe feels that the V-X might have been carried even farther.

OSGUTHORPE. This could have been, very easily washed into, into one of our reservoirs, our drinking water. Had it been rained out over one of these areas we might have had some real disastrous results. Um, one, one specifically, the Deer Creek reservoir very easily could have got that far had it not been rained out. I'm, I'm sure that had this got into a water supply why, it would have definitely killed people. You cannot conduct these, this type of experiment without endangering the life around you.

VANOCUR. To this day the United States Army maintains there is no absolute proof that the Skull Valley sheep were killed by the nerve gas test. But it has agreed to a payment of nearly four hundred thousand dollars to the owner of the sheep. And in recent months the Army has announced more stringent safety regulations for field testing at Dugway. If the sheep episode did nothing else, it stripped away a bit more of the official secrecy surrounding CBW in this country. It also turns out that Dugway is not our only test site after all.

PETTIT. The United States headquarters command for testing chemical and biological weapons is designated the Deseret Test Center. Its work is so secret that even its location, Fort Douglas in Salt Lake City was not known until after the sheep episode. The Deseret Test Center plans and conducts America's CBW tests, at Dugway and elsewhere. Military sources have revealed the existence of other test programs directed from here. At Fort Greely, in Alaska, Fort Clayton in the Panama Canal Zone, and at Fort Huachucha in Arizona. There has even been an ultra-secret test project in the Pacific Ocean, conducted under a cover of bird-banding study. A scientist in California had been asked to develop a bird-counting radar.

COGSWELL. There was some possibility of the Department of Defense seeking a, um, test site of some sort or other, I never knew what, in the general region. And were interested therefore in the bird populations and numbers in the region. I did know, also at this time that the Smithsonian Institute or the U.S. National Museum in Washington, D.C. had a project going on at that time in the area, that the area of interest was in the Central Pacfic, Southward from the Hawaiian Islands to near the Equator. The whole, the whole Central Pacific area.

PETTIT. The Pacific Ocean biological survey has cost the Defense Department more than two and a half million dollars. This amount was paid over the past six years to the Smithsonian Institution. Fred Sibley, a biologist, worked on the project for three years.

SIBLEY. Um, this was a program administered by the Smithsonian Institution to study distribution and migration of sea birds in the Central Pacific. My job was mainly that of a trip leader, taking four or five people out on a party, and we would land on the various islands, do biological survey on these islands and part of which was banding, a considerable number of birds.

PETTIT. This story is picked up by Robert Standen, who took these home movies in true amateur fashion, waved at his own camera.

STANDEN. On one very dull day, we spent the whole day doing nothing but bagging birds with that long net, which is not much fun, since you can go around pick them up at night with no trouble at all. Fred felt that we should keep busy. We went about finding out how isolated that area was. In a sense that was part of what we were doing, I would say. Not specifically. Nobody ever said that to me, mind you . . . But that . . . I felt was implied. We did a very intensive biological study of a specified area.

PETTIT. Standen later took part in an ultra-secret military CBW project in the Pacific, which he was not allowed to film. He said the military test involved vectors . . . the scientific term for live animals, which can carry disease organisms. Have you ever told anybody what was done?

STANDEN. No I haven't.

PETTIT. Not even the Smithsonian?

STANDEN. No I didn't. I haven't told a soul. I would like to tell somebody, sometime, because it, it would be just fun to tell somebody. I thought it was extremely interesting.

PETTIT. What was the point of holding this test, that far out in the Pacific?

STANDEN. Well, the vector, the carrier, the biological carrier, didn't live in that place normally, okay. The place was well isolated from other areas, okay. And it would be very easy to eliminate the carrier, once it was over. Therefore it wouldn't introduce a new species into the area. Also, of course, I think, this is worthy of note; since the vector that we used had to be kept alive all the way to the location, you see. This was an experiment in itself. This is where the scientific experiment comes in. There were meteorologists there who observed everything about the conditions of the atmosphere at the time and place, okay. Plus we had an extensive biological staff. We had, literally, guinea pigs on the island.

PETTIT. Where was this?

STANDEN. I can't say.

PETTIT. Roughly.

STANDEN. In the Pacific Ocean.

PETTIT. In the Hawaiian chain?

STANDEN. No.

PETTIT. In the Hawaiian Islands?

STANDEN. I can't say.

PETTIT. Can't say yes or no?

STANDEN. I could say yes or no, but I won't.

PETTIT. Why?

STANDEN. Because I was told not to.

PETTIT. Since talking with Standen, we have learned from other sources that the test was conducted in the Spring of 1965, on an island seventeen hundred miles southwest of Honolulu, just north of the equator . . . Baker Island, a U.S. possession. There is an abandoned World War II airstrip on Baker, but the island is uninhabited. The six-week test involved Army, Navy, and Air Force personnel, commanded by the Deseret Test Center. On the one square-mile Baker Island they were testing animal vectors, or carriers, to see how they would behave in a tropical climate. No germs were involved. In effect it was a check-out of an animal delivery system for CBW. The Smithsonian says it knows nothing about a biological warfare testing programs related to its bird-study project. But Joseph Clark of Philadelphia, when he was in the U.S. Senate, learned of a direct connection between the Pacific Bird project and the CBW testing.

CLARK. Well as I understand it, under the screen of the Smithsonian Institute in a bird-banding project, they were looking for a relatively safe place to conduct chemical and biological warfare testings. This resulted in their picking one of the islands in the Hawaiian Chain, probably a pretty small one . . . it is my understanding that they are now on their way to do some testing there.

VANOCUR. The Army has cataloged all the diseases which could be used as weapons, either by us or against us. For example, it knows that brucellosis or undulant fever, is very disabling, with long lasting severe fever and general aching. It knows that plague produces rapid pulse, rapid breathing, high fever and death. That anthrax causes fever, sores, lesions of the lung and death. Much

of the research on disease is done in the Army's own secret laboratories or by contract at various universities and private companies. At one time more than fifty different institutions held Army contracts. One of them is the University of Utah. Again, Tom Pettit.

PETTIT. The University of Utah has been doing secret biological research for the Army for sixteen years, but very few people on the campus in Salt Lake City know anything about it. The work is done by an obscure university research organization, housed in these unpretentious quarters. The E and E group, which means Ecology and Epizoological Research has been doing supposedly routine studies of diseases in Utah wildlife. The full nature of the work was not known even to the university president, until last August. At that time a series of false alarms at the main, biology building aroused the curiosity of William Hanly, an associate professor of biology. Hanly already had heard about a secret laboratory in his own building on the main campus.

HANLY. I knew that something had been going on there which was connected in some way, and I am still not sure, which way with Dugway Proving Grounds here. Um and at same time connected with the University housed in the same building.

BROWN. The first two runs, we were all restricted from going into the specific area where these alarms were originating from. The University personnel advised us to stay out because of um, disease problems.

HANLY. I was told by a number of people that in order to enter that area, one had to have immunizations against certain diseases. Diseases such as tularemia, anthrax, plague and various others. One would assume then that these diseases are in that area. The organism which cause those diseases. And in order to get these immunizations, one had to go to the Dugway Proving Ground.

PETTIT. The University, voluntarily showed us its contract with the Army. It reveals a clear-cut relationship with Dugway Proving Ground. Through the Deseret Test Center the E and E group is paid about five-hundred thousand dollars a year. The University insists that it is not involved in weapons testing. But the contract does specify certain diseases: Tularemia, plague, Q-fever, Rocky Mountain Spotted Fever, and viruses such as encephalitis, all transmissable from animals to man, all potential weapons. Until now it has not been generally known that the University of Utah scientists do some of their Army work right at the Dugway Proving Ground. They have done so, since 1952. In 1955 they made this film to document their own activities. Besides their academic study of disease in native animals of the Dugway area, they have performed experiments to induce infections artificially. For these studies, the Utah research group developed laboratory procedures for growing large numbers of ticks. Some ticks are vectors, or carriers of several highly infectious diseases, among them, Rocky Mountain Spotted Fever, Tularemia and encephalitis ticks are reared by the simple process of letting them feed on living kangaroo rats. As part of its Army work, the Utah research group raises literally thousands of animals. Some have been set out in the field to monitor the spread of biological agents being tested by the Army. The special infection studies are of obvious interest to Army experts on biological warfare. In this case, a deer mouse was prepared for exposure to germs in an aerosol-spray chamber . . . probably to the organism which cause tularemia.

Military men consider aerosol-spray the best system for spreading diseases. They feel germs distributed this way are more efficient at causing disease than germs carried by bugs or animals. The University researchers have done pioneering scientific work in charting the flow of diseases. In other words, how infection is spread from one animal to another. In this experiment, disease organisms were injected into a laboratory guinea pig. The guinea pig was then fed to a wild coyote. This work adds to the Armys knowledge of how germs can be spread, both by nature and by humans' design. But for years, the military implications of the University research were kept obscure. The secrecy syndrome in the chemical biological warfare business is most pronounced when private industry meets with the military. This is a U.S. Navy installation at Port Huenema, California, where an unpublicized CBW conference was held. Security precautions were extraordinary. Even generals were thoroughly checked. And every person attending was required to have Defense Department clearance for secret information. The conference amounted to a who's who of CBW. Brigadier General James A. Hebbeler, the Army's ranking officer in the field, is Director of all chemical, biological, and nuclear operations. Major General Lloyd E. Fellenz, who used to be head CBW, now works for a large chemical company. Colonel Clyde L. Friar, commanding officer of the arsenal at Pine Bluff, Arkansas.

Dr. Jacob Minarik, civilian scientist at Fort Detrick and the foremost export on defoliation. Norman I. Shapira, chairman of this meeting, a retired Army colonel, now employed by Litton Industries. Many other large companies were represented: DuPont, Alcoa, Dow Chemical, Lockheed, McDonnell-Douglas, North American Rockwell, Aero-Jet General, the Rand Corporation, Goodyear, Honeywell, Monsanto . . . more than forty companies in all. Some who participated in the closed door meetings were willing to discuss their work. One was Roger Eyler, his consulting firm has received more than a quarter of a million dollars from the Pentagon for CBW research. Particularly an analysis of intelligence information.

EYLER. Obviously, the Chinese Communists are behind us. And as a result of their, um, um, say, student revolutions, they're getting even further behind, because, their technical base is going down. But um, other than that I don't think I can say anything else.

PETTIT. The Soviet Union is not in that same position.

EYLER. No, as a matter of fact the Soviet Union is a very sophisticated enemy. Their threat would be at least on a par with ours.

REINNAGEL. The hardware does exist. Quantity wise, whether one could do this to mount an engagement or not, that is a question I can't answer. But it can be manufactured.

PETTIT. The Hayes Corporation, which wants to manufacture the hardware, already manufactures defoliation equipment for use in Viet Nam, and is actively developing CBW hardware. At its own expense, Hayes is working on a number of weapons systems all listed right in the company brochure. One of them is called, "The Wet-Dry Agent Biological Bomblet", the biological bomblet is not being mass produced right now. This indicates that the United States has the technology for biological warfare, but not a combat capability. At Fort Detrick, Maryland, the U.S. Army has been accumulating biological warfare know-how for nearly twenty-six years. The work started here in 1943 in secrecy equal to that of the atomic bomb project. Today, Fort Detrick, is even more secret than Oak Ridge. Using laboratory animals, the scientists at Fort Detrick have precisely measured the infectivity of nearly every known disease. Especially in the aerosol-spray form of transmission. Aerosol-spray, forces microbes deep into the most sensitive part of the lungs. Even human volunteers have been infected this way. Seventh-Day Adventists, serving as conscientious objectors in the army medical corps. One of them was Frank Miyashiro.

MIYASHIRO. It was somewhat, um, spooky, when the light would flash on and you know that um, there are organisms being passed into your body to make you sick. This is the time that you really wonder if you should be there. Um, some of the fellows came down with tularemia, well they started developing systoms about two days after we received the organisms. I know, um, when, . . . we were all waiting to see who would get hit first. And, um, a friend of mine, um, had violent headaches one night. And his temperature zoomed up to about 103 degrees overnight. We were given . . . our temperatures and our pulse rates were taken every six hours throughout the day and we could see when the temperature started rising that . . . after about two or three days, the fellows, most of the fellows started developing symptoms . . . violent headaches and um, muscular aches pains, most . . . fellows couldn't even get out of bed. Um, the temperatures, like I said always increased to about 104 degrees. And um, just um a lot of sweating . . . some of the fellows would get up in the middle of the night completely soaked. And it would last for a few days, well a couple of days, and as soon as the doctor knew that you had developed a disease and they were certain that you had developed a disease, they would give you medication.

PETTIT. Tularemia is fatal in less than ten percent of the cases. But it is highly disabling and once was routinely suggested for use in Viet Nam. This suggestion was turned down. Instead the military in Viet Nam has turned to chemical warfare: Tear gas on the ground, defoliation of the jungle from the air. C–123 aircraft have dropped tons of chemical weed killers. The spray technique, or a modification of it, could also be used to deliver nerve gas, or even germ weapons, if they were available. In Viet Nam, the military has demonstrated its ability to wage chemical warfare, this is the "C" of CBW. The possibility that chemical or biological weapons might be used against the United States has not gone unnoticed.

FILM NARRATOR. A mask filters out dangerous elements in the air, such as gas, germs, or radioactive dusts. Final tests on this mask used volunteers to breathe in a completely harmless test spray. The volunteer children participated with the consent of their parents. The mask will be made in six sizes, to fit all persons from the age of four upward. For children under four, there is a tent like infant shelter.

PETTIT. The all-purpose mask was never produced in quantity for civilian defense. No one seriously expects nuclear attack. And nerve gas is primarily a battlefield weapon anyway. But in future wars, biological weapons could be used against civilians.

Despite all the mystery about biological warfare and all the secrecy, there is one simple fact: The United States, today does not have germ weapons ready to go at the push of a button. We know how to build them; we have tested the stuff, but so far at least there has been no order to go into mass production. And until there is an order, the U.S. biological warfare capability will remain only a paper tiger. Of course we don't know about Russia or Red China.

[From the New York Times, Mar. 5, 1969]

PENTAGON BARES COST OF GERM WAR STUDY

(By John W. Finney)

WASHINGTON, March 4.—Because a Congressman's wife was upset after watching a television program, the Army disclosed today that the Pentagon was spending $350-million annually to develop and produce chemical and biological warfare weapons.

At a private briefing for a group of Senators and Representatives, the Army said that the United States effort in this field was outmatched by that of the Soviet Union. According to Army estimates, the Russians have seven to eight times the capability of the entire non-Communist world for waging chemical and biological warfare. The briefing also brought out that the Army was regularly shipping by rail to and from test centers, 300-gallon canisters of a nerve gas known as

G-B, a few drops of which are sufficient to kill a person.

The private briefing, attended by two dozen Senators and Representatives, was arranged by Representative Richard D. McCarthy, Democrat of Buffalo. It was held in a hearing room of the Rayburn House Office Building.

After watching a recent National Broadcasting Company show on chemical and biological warfare, Mr. McCarthy's wife asked him what he knew about the subject. Mr. McCarthy replied, "Nothing," and proceeded to arrange for the briefing by Brig. Gen. James A. Hebbeler, director of chemical-biological-radiological and nuclear operations of the Army.

The briefing, partly confidential, brought out information that the Army has preferred to keep secret about its chemical-biological warfare program, even from members of Congress.

For the last four years, for example, with the cooperation of senior member of the Appropriations and Armed Services committees, the Army has managed to keep secret how much the Pentagon was spending on chemical-biological warfare research and production.

The money was scattered throughout the defense budget in such a manner that it was virtually impossible for the individual member of Congress to determine how much was being spent, and references to the over-all total were customarily censored out of the testimony given the committees.

PRESSED FOR ESTIMATE

Pressed at the briefing for a budget estimate, General Hebbeler said that the military services were spending around $350-million annually on chemical-biological warfare, but he added the injunction that this information was "confidential" and could not be made public.

After the briefing, Mr. McCarthy managed to get around the injunction by refusing to disclose the general's estimate but quoting approvingly from a recent Library of Congress study concluding that the Pentagon was spending between $300-million and $350-million annually on chemical-biological warfare.

About half this amount is believed to be for research and development, the rest for production of chemical and biological warfare agents.

In secret terms, the general also discussed the size and nature of the Soviet chemical-biological warfare program. A senior member of the House Appropriations Committee, Representative Robert L. F. Sikes, Democrat of Florida, proceeded to discuss the Soviet program with reporters as he left the briefing.

Declaring that the United States was spending a "comparatively small amount" on research, Mr. Sikes said the Soviet Union had "seven to eight times the capability of the free world" to wage chemical-biological warfare and had enough chemical or biological agents "to kill most of the people of the free world."

Mr. Sikes a member of the Military Appropriations subcommittee attended the briefing at the suggestion of General Hebbeler. The purport of Mr. Sikes' comments to reporters was that the United States capability "should be expanded."

Representative John Brademas, Democrat of Indiana, interpreted the Army presentation as "a not very thinly disguised argument for more support" of chemical-biological warfare efforts.

The reaction of some members, such as Mr. McCarthy and Mr. Brademas, to the briefing was that the United States was spending too much on chemical-biological warfare and should seek some arms control agreement with the Soviet Union to stop the production of chemical or biological agents.

Mr. McCarthy also expressed concern about the "safety precautions" being taken by the Army in shipping the G-B gas. He said that there had been an "alarming increase" recently in rail accidents and that such rail shipments "pose a most serious problem."

S. 1646—INTRODUCTION OF A BILL TO CREATE AN ADDITIONAL JUDICIAL DISTRICT IN THE STATE OF LOUISIANA

Mr. LONG. Mr. President, I introduce today, for appropriate reference, a bill which would remove the Baton Rouge division of the U.S. District Court for the Eastern District of Louisiana and create from that Baton Rouge division a new middle district of Louisiana.

At the present time, the eastern district of Louisiana is composed of the Baton Rouge division and the New Orleans division. Its administrative offices are in New Orleans.

For a number of years now, the Baton Rouge division has for most purposes operated, in effect, as a separate district. The efficient administration of justice would be far better served, however, if the division were to be given a separate district. There can be no doubt that the present caseload of the Baton Rouge division warrants this change.

I would hope that this bill will be given the fullest consideration on its merits since I am thoroughly convinced that an adequate study of the factors prompting my proposal will prove the pressing need for effecting this improvement in the district court system in my State.

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

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

The bill (S. 1646) to create an additional judicial district in the State of Louisiana, and for other purposes, introduced by Mr. LONG, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 1646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 98 of title 28 of the United States Code is amended to read as follows:

"§ 98. Louisiana

"Louisiana is divided into three judicial districts to be known as the eastern, middle, and western District of Louisiana.

"EASTERN DISTRICT

"(a) The eastern district comprises the parishes of Assumption, Jefferson, Lafourche, Orleans, Plaquemines, Saint Bernard, Saint Charles, Saint James, Saint John the Baptist, Saint Tammany, Tangipahoa, Terrebonne, and Washington.

"Court for the eastern district shall be held at New Orleans.

"MIDDLE DISTRICT

"(b) The middle district comprises the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, Saint Helena, West Baton Rouge, and West Feliciana.

"Court for the middle district shall be held at Baton Rouge.

"WESTERN DISTRICT

"(c) The western district comprises six divisions.

"(1) The Opelousas division comprises the parishes of Evangeline and Saint Landry.

"Court for the Opelousas division shall be held at Opelousas.

"(2) The Alexandria division comprises the parishes of Avoyelles, Catahoula, Grant, LaSalle, Rapides, and Winn.

"Court for the Alexandria division shall be held at Alexandria.

"(3) The Shreveport division comprises the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Natchitoches, Red River, Sabine, and Webster.

"Court for the Shreveport division shall be held at Shreveport.

"(4) The Monroe division comprises the parishes of Caldwell, Concordia, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll.

"Court for the Monroe division shall be held at Monroe.

"(5) The Lake Charles division comprises the parishes of Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, and Vernon.

"Court for the Lake Charles division shall be held at Lake Charles.

"(6) The Lafayette division comprises the parishes of Acadia, Iberia, Lafayette, Saint Martin, Saint Mary, and Vermilion.

"Court for the Lafayette division shall be held at Lafayette."

SEC. 2. The district judge for the eastern district of Louisiana holding office on the day immediately prior to the effective date of this Act, and whose official station on such date is Baton Rouge, shall, on and after such date, be the district judge for the middle district of Louisiana. All other district judges for the eastern district of Louisiana holding office on the day immediately prior to the effective date of this Act shall be district judges for the eastern district of Louisiana as constituted by this Act.

SEC. 3. (a) Nothing in this Act shall in any manner affect the tenure of office of the United States attorney and the United States marshal for the eastern district of Louisiana who are in office on the effective date of this Act, and who shall be during the remainder of their present terms of office the United States attorney and marshal for the eastern district of Louisiana as constituted by this Act.

(b) The President shall appoint, by and with the advice and consent of the Senate, a United States attorney and marshal for the middle district of Louisiana.

SEC. 4. The table contained in section 133 of title 28 of the United States Code is amended to read as follows with respect to the State of Louisiana:

"Districts	Judges
* * * * *	
"Louisiana:	
"Eastern	7
"Middle	1
"Western	3".

SEC. 5. Section 134(c) of title 28 of the United States Code is amended by deleting the first sentence.

SEC. 6. The provisions of this Act shall become effective one hundred and twenty days after the date of enactment of this Act.

S. 1647—INTRODUCTION OF A BILL TO RELEASE 100,000 SHORT TONS OF LEAD FROM THE NATIONAL AND SUPPLEMENTAL STOCKPILES

Mr. LONG. Mr. President, I am introducing today a bill authorizing the release of 100,000 short tons of lead from the national and supplemental stockpiles.

Representing a State whose industries are among the major users of lead in the United States, I have followed the trends in the lead market with attention and care. Lead has been in short supply since the last half of 1968. Industrial consumption of lead has increased and the overall supply of lead has failed to keep pace with demand. The continuity of two industries in Louisiana—antiknock compounds and batteries—is threatened by lack of lead supplies.

If the shortage is not relieved through a release from the national stockpile, the production of electrical storage batteries, antiknock compounds, and other industrial commodities will be curtailed. In fact, several plants have been forced to reduce promotion for lack of lead. The consequences of failure to take immediate action will be damaging to employees and employers alike.

The stockpile objective for lead was reduced to zero by the Office of Emergency Planning in June 1963. Consequently, the entire current inventory of 1,171,649 tons of lead in the national and supplemental stockpiles is in excess of defense and strategic stockpile requirements. Following the precedents set in 1964 and 1965 by Public Laws 88–373 and 89–9, my bill would authorize the release to and sale by established lead producers of 100,000 tons of that surplus lead.

In light of the present emphasis on Government economy, it is also relevant to point out that the sale of 100,000 tons of surplus lead at the present high price of $0.14 per pound will bring $28 million into the U.S. Treasury.

The principal uses of lead are in automotive batteries, antiknock compounds, paint pigments, insulation, and other products such as cable, solder, and pipes. Consumption of lead by industries producing these products has increased substantially during recent years due to favorable economic conditions and increased demand for such products.

On the average about 1,200,000 tons of lead are consumed in the United States annually, 400,000 tons being supplied by primary producers, 500,000 tons by secondary smelters, and the balance from imports. However, the latter part of 1968 saw extraordinary lead consumption, and the normal sources have been unable to meet the demand. Estimates place domestic lead consumption for 1968 at 1,300,000 tons, an all-time record for domestic consumption and an amount that might have been even greater had the inadequate supplies of late 1968 not restricted production of major lead consumers.

The consuming industries mentioned are essential to the defense posture of the United States and continuity in their production must be insured. Interruption of current levels of production in the battery and gasoline additive industries can have serious effects on our strategic commitments throughout the world.

New domestic lead production facilities were planned for 1968. Construction delays, labor-management disputes, and technolgical problems have prevented completion of these additional facilities and have kept primary lead production well under the expected levels. Consequently, the high demand for lead metal reduced the stocks of primary domestic producers to 15,000 tons by the end of 1968, an unacceptable low level that has drained supply lines and has minimized consumers' inventories. While lead consumers usually maintain a 1-month supply in inventories, they are currently operating with an only few days' supply or no inventory at all.

Secondary smelter production in 1968 declined due to a shortage of scrap and increased production costs. The shortage of available scrap was especially pronounced in late 1968 and early 1969 when the demand for lead was extremely high. At the same time, high demand for lead throughout the world reduced producers' inventories of refined lead to 158,156 tons in November, the last month for which data are available and the fourth consecutive month in which those inventories declined. The limited availability of foreign lead due to high world demand has aggravated the critical shortage of lead in the United States. Although 338,000 tons of lead were imported into the United States in 1968, only 136,000 tons were imported during the last half of 1968, the time during which domestic supplies of lead were becoming increasingly restricted.

Already the shortage of lead has forced curtailed production by lead users. If lead is not expeditiously released from the national and supplemental stockpiles, many lead consumers will have to close down completely. In my State, for example, there are large battery manufacturing plants at Shreveport and Baton Rouge, and a major gasoline antiknock plant at Baton Rouge. These plants employ several thousand workers and contribute substantially to the economy of Louisiana. Passage of this bill is essential to continued operation of these plants at normal production levels.

I, therefore, urge that the Senate pass this legislation at the earliest possible time in order to bring an end to the existing critical shortage of lead and insure continuity of production in many strategic industries.

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

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

The bill (S. 1647) to authorize the release of 100,000 short tons of lead from the national stockpile and the supplemental stockpile, introduced by Mr. LONG, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 1647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately one hundred thousand short tons of lead now held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) and the supplemental stockpile established pursuant to section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 456, as amended by 73 Stat. 607). The disposals authorized by this section may be made without regard to the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act, provided that the time and method of disposition shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

S. 1650—INTRODUCTION OF A BILL TO INCREASE THE AMOUNT OF SERVICE GROUP LIFE INSURANCE AVAILABLE

Mr. LONG. Mr. President, I also introduce today a bill to increase the amount of service group life insurance available to our fighting men in the Vietnamese war.

Between 1961 and 1968, more than 30,000 GI's lost their lives in Vietnam. Most of these deaths occurred within the last 2 years. No Member of Congress, regardless of his sentiments toward the war in Vietnam, has any doubts about our responsibility to the welfare of the widows and orphans of those men who have been killed in Vietnam.

Today, we have three programs offering protection to the survivors of the men killed in Vietnam. First, the servicemen's group life insurance program offers all servicemen $10,000 in life insurance at a cost based on civilian group rates. The Federal Government pays the cost of the extra risk faced by men in the military service.

Second, the dependency and indemnity compensation program provides monthly payments to widows and orphans of servicemen and veterans whose death was connected to their military service.

Third, we have extended social security protection to all men on active duty.

The value of the dependency and indemnity compensation payments and social security benefits is quite substantial. For example, the lump-sum value of these two benefits today for the widow of a sergeant with 7 years' service, who has two young children, is $165,000—compared with an $80,000 value during the Korean war and a $48,000 value during World War II.

But though the lump-sum value is substantial, the benefits are paid out over a period of many years. There is a need for a benefit which will make available a significant sum to a widow at the time of the serviceman's death. It was for this reason that the SGLI program was created.

I think that it is time for us to go further than the $10,000 face value for the men that are facing enemy fire in Vietnam. I am, therefore, introducing today a bill which will double the serviceman's SGLI protection while he is assigned to duty in a combat zone, unless he does not want the added protection. As with the present program, the serviceman will pay only for the cost of ordinary civilian group protection, and the Federal Government will pay the additional cost related to the risks of military service. In other words, a serviceman who now pays $2 a month for $10,000 protection will be provided $20,000 coverage at $4 a month while serving in a combat zone. In other words, for $48 a year, he will

have $20,000 of protection in addition to the benefits provided elsewhere, in the event he should lose his life in Vietnam.

Mr. President, this added protection is and should be a cost of our Vietnam effort. The extra hazard cost represents recognition of the extra hazard faced by these men. While the men in Vietnam may give their lives, we can only give money. The death of a man can help provide for the unusual expenses cannot be made up with dollars, but we associated with the death of the head of the family for whose country that life was given.

Mr. President, I ask unanimous consent that the bill be received and appropriately referred—in this case, I believe it would be referred to the Committee on Finance. I ask unanimous consent that the bill be printed in the RECORD.

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

The bill (S. 1650) to amend chapter 19 of title 38, United States Code, to provide double indemnity coverage under servicemen's group life insurance for members of the uniformed services assigned to duty in a combat zone, introduced by Mr. LONG, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 1650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 765 of title 38, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(4) The term 'combat zone' means any area designated by the President of the United States by Executive order as a combat zone for the purposes of section 112 of the Internal Revenue Code of 1954."

SEC. 2. Section 767 of title 38, United States Code, is amended by adding at the end thereoff a new subsection as follows:

"(c) Any policy of insurance purchased by the Administrator under section 766 of this title for any member shall provide double indemnity coverage against death resulting from an injury or disease incurred or aggravated, in line of duty, while such member is assigned to duty in a combat zone. Double indemnity coverage provided for under this subsection shall include any case in which the death of a member resulted from combat activities or the performance of extrahazardous duties while such member was assigned to duty in a combat zone; and such coverage shall continue in effect during any period a member is temporarily outside a combat zone to which he is assigned so long as such period does not exceed thirty-five consecutive days."

SEC. 3. Section 769(a) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: "No deduction may be made from the basic or other pay of a member for double indemnity coverage provided under section 767(c) of this title for any month except a month (or portion thereof) in which such member was assigned to duty in a combat zone; and none of the costs attributable to such additional coverage for members assigned to duty in a combat zone shall be paid for by members not protected by double indemnity coverage."

SEC. 4. The amendments made by the first three sections of this Act shall become effective on the first day of the second calendar month following the month in which this Act is enacted.

SENATOR RUSSELL AND THE PRESIDENCY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD, a column written by the well-known and highly respected William S. White, entitled "Northerners' Prejudice Kept Senator RUSSELL From Presidency," and published in today's Washington Post.

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

NORTHERNERS' PREJUDICE KEPT SENATOR RUSSELL FROM PRESIDENCY

(By William S. White)

The calm, patrician disclosure of Richard Brevard Russell that he is in the cold grip of a wasting lung tumor brings a sense of elegy to the Senate and to the country the beginning of the end of an American tragedy.

For this, one of the greatest Senators of his era and the highest embodiment of a Southern tradition of aristocratic and large-minded public service, has acted for his Nation with a gallantry and a generosity which that Nation has in fact repaid with a petty discrimination against him and all his kind.

The personal disaster that has overtaken this authentic gentleman of politics, this able and devoted guardian of true national interest, is cause for general sorrow and for more than personal sorrow. If no man is an island to himself, true it is, too, that when the great ones pass from the scene all are thereby left diminished; all are thereby left impoverished.

So it is that if grief for a man must now run high among those who know his personal value, higher yet should run grief for all the implications of a political life so cramped and cribbed and confined by needless and surely outmoded sectional prejudice.

For here has not been simply a Senator from Georgia but rather, in the best and highest meaning of that old-fashioned term, a Senator of the United States of America. On every single ordinary and rational test of performance, of competence, and of private and public honor; no politician in his time has more clearly and more repeatedly earned consideration for the highest office of them all. No one who understands the Senate can doubt that for many years he has towered there. But the trouble for Richard Brevard Russell has not been that he ever lacked the ability to be an outstanding President but only that he had himself born in the wrong place at the wrong time and thus was forever denied even a chance at that elevation which otherwise could hardly have been refused to him.

In a word, the door to the White House was locked and nailed up against him because he was "a Southerner" and thus a member of a lesser breed without the law. More than any other qualified man, he has been absurdly the victim of a kind of reverse "discrimination" which we might all usefully examine. For the ugly coin of bias has two sides, though we usually talk as though it had only one, and in Richard Russell's case the coin has always fallen into heads I win and tails you lose.

The bleak, the undeniable and the foolish unfairness of the facts of his career surely presents some opportunity for national second thoughts; surely in elementary justice requires political criteria of this country.

Granting if one wishes a thousand sins by a South long dead and gone, how long should this Nation go on and on punishing its present southern men of talent for what went on, or is supposed to have gone on, in its long, long yesterdays? How many times must Fort Sumter be avenged and reavenged? How many times must "Northern liberals" in their inner awareness of their professional inferiority to such Richard Russells as still survive, reassure themselves by seeing to it that every Richard Russell is kept firmly in his place? How long can the Nation afford all this?

It used to be said, and truthfully, that it was the South which would not allow the Civil War to be forgotten. But is it not now—and has it not long since been—the other way round? When the Senate says farewell to Richard Brevard Russell, something much more than the Senate will have been deprived. So, too, will have been the United States of America.

Perhaps, just perhaps, it may be that his last service will not after all be that stout leadership for a strong American defense posture to which so long he has contributed so much. Perhaps it will instead be to recall a Nation to common sense, if not to a sense of ordinary justice, so that the Civil War may be ended in politics, too, and so that qualified men may be allowed to contend for the Presidency, whatever the section of their birth.

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

Mr. BYRD of West Virginia. I yield.

Mr. LONG. Mr. President, I wish to commend the Senator for having that very logical and much deserved tribute to Senator RICHARD RUSSELL, of Georgia, printed in the RECORD. I read it, and I was much impressed by it. I agree with it, as I think the Senator does.

The article points out the tremendous contribution Senator RUSSELL has made to his Nation, and the fact that prejudice is a two-edged sword. Senator RICHARD RUSSELL has been very much the victim of prejudice, and I say that as one who availed himself of the privilege of supporting Senator RUSSELL for nomination as President of the United States. I went to the Democratic Convention, and I refused to walk out when the delegation seemed determined to walk out of the convention because it would not support Senator RUSSELL.

I believe the Senator from West Virginia will recall that there was a large vote at the Democratic Convention for the nomination of RICHARD RUSSELL as President of the United States. Had it not been for the aspect that the Senator has in mind, Senator RUSSELL probably would have been nominated.

Mr. BYRD of West Virginia. I thank the distinguished Senator from Louisiana.

The column is a very appropriate, thought-provoking, and perceptive one.

ORDER FOR ADJOURNMENT UNTIL WEDNESDAY, MARCH 26, 1969

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon on Wednesday next.

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

AUTHORITY FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES AND FOR COMMITTEES TO FILE REPORTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate following to-

day's session, until noon on Wednesday next, the Secretary of the Senate be authorized to receive messages from the President of the United States and from the House of Representatives, and that it be in order for such messages to be referred to appropriate committees.

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

Mr. MANSFIELD. I ask unanimous consent, further, that during this period of adjournment, all committees be authorized to file their reports, including minority, additional, supplemental, or individual views.

The PRESIDING OFFICER. Without objection, it is ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, it is anticipated that the measure extending the debt limit may be reported tomorrow, during the period of the adjournment of the Senate from today until Wednesday next, so that it can be called up and considered by the Senate on Wednesday, when the Senate next meets; and that on Thursday next, the Senate will consider the supplemental appropriation bill on the Commodity Credit Corporation, which will be managed by the distinguished Senator from West Virginia (Mr. BYRD).

THE HUNGER IMPERATIVE

Mr. McGOVERN. Mr. President, in the past week, in response to a contention that the special committee of the Senate looking into hunger and malnutrition was making hunger a political cause, I stated that hunger knows no politics. Hunger is not and should not be made a partisan issue, and I believe every member of this committee not only holds to that view but also has conducted himself accordingly.

I see the Senator from Kentucky (Mr. COOK) in the Chamber. I am certain that he will verify that in every stage of our hearings we have made no effort to make political capital out of those hearings, but to acquaint ourselves with the tragic dimensions of the problem of hunger and then to respond, as best we could, at the appropriate time, with recommendations for dealing with the problem.

I rise today because I believe that a special burden falls on all of us in the Government to assure that adequate resources are devoted this year to the solution of our most pressing single domestic need, and that is the presence in this country of an estimated 10 or 12 million citizens who are suffering either from hunger or from acute malnutrition. I think this is a burden which falls particularly on the new President of the United States at a time when he is making judgments among competing priorities for this year's Federal budget.

It is my understanding that the President has received several alternative recommendations that are now before him for increasing our food assistance programs and that a decision will be made shortly—perhaps within a few days or a few weeks—as to whether we can afford a substantial increase this year to feed our hungry citizens.

The President is now reportedly considering a package of reforms costing roughly $1 billion, with an expenditure of $100 million the first year.

Mr. President, I was repeatedly queried about this report by members of the press last week; and, finally, at the end of the week, I responded by saying, in effect, that if these reports are correct, they fall far short—that is, they indicate a recommendation that falls far short—of what is indicated by the size of the problem with which we must deal.

It is my own view that if, in fact, serious consideration is being given to adding $1 billion to the war on hunger in this country, that is a substantial and important step forward; but instead of spreading that out over 4 years, we should invest that much and more in the coming fiscal year. It would not be difficult to program an expenditure of that kind, nor would it be an outlay beyond our means. It would return dividends to the country many times over.

We talk a great deal about the cost of programs of this kind, but perhaps a more fundamental question is this: What does it cost us to ignore the existence of 10 or 12 million malnourished citizens? What does it cost us in the form of mentally retarded children? What does it cost us in the form of chronic welfare cases that never go beyond that level because of weakened bodies and weakened minds?

Mr. President, I believe I have a special obligation before the President makes his recommendation to Congress, both as a Senator with a concern for our hungry citizens and as chairman of the Select Committee on Nutrition and Human Needs, to urge that the war on hunger be funded at an adequate level.

I do not seek to engage in a partisan battle with the administration. I think we should all be grateful that the President is considering an increase in the food assistance budget recommended last January. I am particularly grateful that the Select Committee has gone about its business in a completely non-partisan manner, with the support of all members, and without the slightest hint by the ranking minority member, the senior Senator from New York, or his Republican colleagues that we are engaged in any sort of partisan struggle.

If we are partisan it is on behalf of the hungry in our midst. I am sure that all our members will want to preserve that spirit.

Of course, some of us have differing views as to the appropriate responses to the problems of hunger and malnutrition. But any differences we may have center not along political lines any more than the differences within the present administration over what that response should be are along partisan or political lines.

The issue is whether or not as a Nation we will devote the necessary resources with the same sense of urgency to the war on hunger that we devote to the war in Vietnam, to nuclear weapons, and the race for the moon.

The issue is one of priorities—whether we will spend millions for arms and pennies for the hungry.

This is the question I shall speak to today and that I will continue to speak to until hunger and malnutrition are eliminated.

Some consider it premature to speak to the new administration only 2 months after it has taken office. Frankly I do not see the wisdom in waiting until final judgments are made before speaking out on an issue as important as this.

Mr. President, 10 days ago President Nixon announced his decision on the antiballistic missile. The American taxpayer is being asked to spend $7 billion to protect two missile sites with a highly questionable weapons system that could set off another spiraling arms race; $7 billion is about half the cost of ending the hunger and serious malnutrition which plagues 10 or more million of our citizens.

Shortly after the President's announcement, the country was told by the Deputy Secretary of Defense:

> This country can afford to do what we need to do to remain strong and also solve *some* social problems.

I think the time has come when we ought to have learned the lesson that solving our social problems and providing strength for national security are not alternatives. They are one and the same thing. So long as hunger, poverty, and racism continue to afflict us at home, it does not matter how many missiles we have. Not one of us as an individual or all of us as a nation will be secure.

Yesterday our military commanders in Saigon confirmed that since the bombing halt last November, the United States has sharply escalated our ground war offensive in Vietnam, increasing our contacts with the Vietcong by 100 percent in February. Our ground offensives continue to mount week by week. So do our casualties. Last week 351 American boys died on the battlefield. While these boys die in Vietnam, the cost of their sacrifice at home is reflected not only in the drain on our economy but in the number of lives that will be stunted in mind and in body because we have failed to meet the challenge of hunger and malnutrition at home. For less than the cost of 2 months of our Vietnam involvement, we can feed all the hungry, malnourished poor at home.

I have an uncomfortable feeling that the cost of the antiballistic missile and our intensive military effort in Southeast Asia may shortly be reflected in a number of decisions about our economy which are on the front burner at the other end of Pennsylvania Avenue. I am fearful that we will be told that we cannot afford to feed as many hungry Americans as we know are in need.

Because of the enormous continuing cost of the war in Vietnam and additional weapons of destruction, we are faced with spiraling inflation—inflation which affects every American consumer and which must be brought under control.

But will the control of inflation rest on the weakened bodies of the poor and undernourished?

Last week the Secretary of Commerce stated in an interview in the Washington Post that the present administration has agreed that it must take time out from

major new social objectives until inflation is checked. Social problems, Secretary Stans was reported to have said, will be attacked on a low-budget basis while we wait for the economy to cool off and for the war in Vietnam to end.

Ten days ago we were told by the administration's Communications Director that the problem of hunger "requires a study in depth before solutions can be offered." I sincerely hope that this does not mean that the way is being paved for a decision that we will have to do less than enough in providing food assistance to our hungry poor.

The single most important cause of hunger in America is painfully obvious, millions of our fellow citizens do not earn enough money to buy food for their families. It takes no special genius to figure out that a family whose total income is less than the amount required to purchase a nutritionally adequate diet is going to suffer from malnutrition. Nor does it require special genius to perceive at least a short-run solution to this problem. Such families must be provided with the purchasing power necessary to enable them to meet their minimum nutritional needs.

I will shortly propose amendments to the Food Stamp Act of 1964 designed to do just this—to insure that our poor enjoy the most basic necessity of a productive life, adequate nutritious food. I will propose that the poorest of the poor be given free stamps, that those who pay for stamps pay what they can afford out of their meager incomes and that all recipients receive enough stamps to meet their monthly food needs.

We can certainly do no less now—this year. We will have to do much more—we will have to provide the health care, sanitation facilities, and nutrition education which are essential to the complete elimination of malnutrition.

Mr. President, I shall support every effort of our President and his administration on behalf of our hungry citizens. But I shall not hesitate to warn against halfhearted efforts in that direction.

I urge both the President and the Congress to do right by our hungry children and adults. We can afford to do no less.

REPORT ON THE FIELD TRIP TO FLORIDA BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. McGOVERN. Mr. President, the Select Committee on Nutrition and Human Needs last week completed its first field inspection trip. Six of our members, three from the majority and three from the minority spent 2 days in two southern Florida counties, Lee and Collier Counties.

We chose southern Florida for our first field trip not because it is different from other areas of the country; not because there are many or few hungry people in Collier or Lee Counties. We did not seek to single out these counties or their officials for criticism. But what we found was nothing short of disgraceful—a level of human misery combined with official neglect which none of us expected in a country founded and governed for 200 years on the premise that human dignity is the inalienable right of every citizen.

Our trip was not without controversy. We were charged with seeing only the bad sides of Collier and Lee Counties. Like it or not that is our job—and that is what we did see and hear.

We saw in southern Florida what others have seen before us, American citizens existing without the barest necessities of life including the most urgent need—a decent daily diet. We saw people who existed on beans and grits and fatback for so long they did not even know what it is to be free from hunger and malnutrition—people so retarded in mind and spirit they had no conception how desperately poor they were—people who could not even contemplate, much less communicate their needs and desires to have what the rest of us take for granted.

We saw families with six, eight, or 10 children living in one- or two-room shacks, not fit for animals—windowless, rat-infested, without water or plumbing or electricity—shacks for which the landlord collects $12 to $15 a week rent each.

We saw empty iceboxes and iceboxes that did not work with fatback, beans, and lard the only things stored in them.

We saw children with the blank, expressionless stare of hunger on their faces—children not yet old enough to go to school who, when asked what they had for breakfast said "grits and coffee"; for lunch, "beans and coffee"; for supper, "beans and coffee." Many could not remember when they last had milk.

We saw old people. One in particular I shall never forget. Mrs. Clauder Mae Smith, lucky enough to have a three-room shack for herself and her grandchild. She was almost blind. She wanted to work but could not afford glasses. Her income is $44 a month from social security. She pays $39 a month rent. Her apartment has no running water because when she was in debt to the water company they shut the water off. She has no electricity because she cannot afford to pay the electric bill. Rats and roaches crawl through the house at night. She receives commodities but they last only 3 weeks. The rest of the month she begs or goes hungry.

Yes, we saw the worst of Immokalee and Fort Myers.

We visited Bookers' Alley, an indescribable development of 24 shacks housing 30 families each paying $52 rent a month to a landlord who also happens to be chairman of the board of the local bank and who grosses $1,560 per month from his tenants who have no hot water or heat. It is there we saw the child whose legs were so bowed from rickets that they almost formed a circle from his hips to his feet. It is there that we talked with Mrs. Katie Dell Murphy who with her husband and eight children live in a two-room shack with no hot water, with three beds and an income of $125 each month if there is work, $65 of which is paid in rent to the chairman of the board of the bank. Her children never have fresh milk at home and seldom have meat.

We heard that migrants in Collier County often live there 8 months of the year, traveling as far north as Michigan in summer to find work. We heard that if the migrants left Immokalee at harvest-time, Collier County's $40 million farm economy would collapse.

But these—

Said the county commissioners

> are Federal people . . . not Immokalee people. They're not Collier people, they're not Florida people.

"Federal people" they said were not theirs to feed. "We take care of our own," they said, with $7,500 for food out of their county welfare budget—enough to feed 24 people an adequate diet for a year. Their "own" does not include the 22,000 Collier migrants and their families who harvest Collier's $40,000,000 farm crops, go to its schools, buy food from its grocery stores, and live in its slumlord's wretched shacks.

When we left the reaction was quick. The chairman of the county commissioners told the press:

> We know we had three strikes on us. We had Senator McGovern, an ultra-liberal; Senator Javits, who in my thinking is a Socialist, and Senator Mondale who I understand was handpicked by Hubert Humphrey.
>
> We can expect what the results of the investigation will be. It could have been written before they came except for a few details. They were evidentally trying to justify their existence and their trip to Florida.

In view of the commissioners' testimony, I can only say that the script could not possibly have been written before we came to Collier County. I wonder if the commissioner can cite any justification for his own existence in that office when he said publicly in his own county that migrants are "Federal people" who do not deserve his help.

Collier County showed us the most backward side of local officialdom. Lee County showed us what happens when the local establishment accepts its responsibility—halfheartedly. Lee County has a commodity distribution program. It provides 21 of the 22 commodities which the Department of Agriculture makes available for a supposedly balanced diet each month. But we found few people participating in this program—450 families—2 percent of the population while 32 percent are in poverty.

They are the lucky families. Lucky enough to pass muster at the local welfare office where others are arbitrarily denied assistance and frequently demeaned by the welfare director.

But they still have to pay a taxi $4 to take them to the warehouse 4½ miles out of town to pick up their commodities. And the commodities they get last less than 3 weeks out of the month.

Thousands of other families in Fort Myers are excluded from commodity assistance.

We found families who did not know about the program. We found families who were afraid to go to the welfare office because they said they knew from their neighbors who had been there, that they would be insulted and humiliated and denied assistance, even though they were in need. And those families with

whom we talked, who were on commodities, said they were hungry the fouth week of every month because the commodities did not last.

These are some of the things we saw and heard. And because we embarrassed some local and State officials we were criticized when we left.

We have been criticized for creating publicity and for exposing through the news media the problems I have just described in Florida. We have been told by the present administration's Communications Director that we are making hunger "a political cause" by "traipsing around the country with television cameras." We have been told by the Governor of Florida to "stop talking and do something about hunger."

I for one will not stop talking. Our committee will continue its field trips and we will, through every means at our disposal, put the problems of hunger before the American people and expose the good and the bad in our food assistance programs.

And we will, as we travel, try to help the people we see and hear about.

In Collier County, where the commissioners refuse to accept Federal assistance, others are willing to administer a commodity program. The Office of Economic Opportunity will, I am glad to say, pay the administrative costs and the local community action agency will provide the personnel and space to certify poor migrants and townspeople and see that commodities are distributed. The Department of Agriculture will be asked to supply the commodities to assure that between 4,000 and 5,000 destitute people in Collier County are fed.

Mr. President, I think our committee has an obligation to report to the Senate on each of its field trips. That is why, I, as chairman, have presented my personal observations today.

I ask unanimous consent that a number of documents which will provide a more complete record of our hearings be printed in the RECORD. They include a statement of Mr. T. Michael Foster, our first witness in Immokalee, a memorandum relating the plight of one family evicted when contacted by the committee staff, and a series of press reports of our activities.

Finally I ask that there also be printed in the RECORD a number of affidavits relating to charges that were made against the welfare director of Lee County—charges that were categorically denied by the director and the chairman of the Lee County Commission.

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

STATEMENT OF T. MICHAEL FOSTER, ASSISTANT DIRECTOR, SOUTH FLORIDA MIGRANT LEGAL SERVICES PROGRAM, INC., BEFORE THE SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, IMMOKALEE, FLA., MARCH 10, 1969

Mr. Chairman, distinguished Senators: May it please the Committee, my name is T. Michael Foster, Assistant Director of the South Florida Migrant Legal Services Program. I am honored to appear before the Senate Select Committee on Nutrition and Human Needs to present my views on the problems of the rural poor in Collier County. At this time I would like to read a brief statement outlining the evidence of hunger and malnutrition in Collier County, including a chronology of the efforts that have been made toward initiating a food program for the poor and the opposition to the implementation of such a program.

In order to place my remarks in their proper perspective, I would like to start with a description of the environment of the rural poor. The image of Collier County is one of a lush vacation land and retirement haven. Tourism is an important asset to this area, but is secondary to the very important and lucrative industry of agriculture. Less well known than the Gulf coast at Naples, and further inland, is Immokalee—one of the main vegetable producing areas in the United States. The major crops are tomatoes, cucumbers, peppers, and watermelons. The total land area cultivated for all crops last season was 21,270 acres as compared to 6,340 acres ten years ago. To further emphasize the importance of farming to the county, the State Department of Agriculture estimates that the vegetable volume will double in the next ten years. Last year Collier County realized a gross income of 40 million dollars from its crops.

Understandably, the main concern of the county is the maintenance of this lucrative agricultural business. Since the economy of Collier County is so dependent on the success of the farms and all the business generated by agricultural activities, it is not surprising that the official position taken by the County reflects this pervasive force. It is of paramount importance to the county, as well as to the farmers, to concentrate their efforts on maintaining a sizable work force to plant and harvest their crops.

Past history has demonstrated that there is a correlation between the productivity of farmworkers and the extent of their dependence on their employers. If the workers' entire livelihood remains dependent on the farming system, that system can exercise a great degree of control over the workers. The rural poor thus become the victims of a concert of interests. In order to keep the rural population responsive to the needs of agribusiness, they are forced to remain subservient to these interests.

The best evidence of the plight of the rural poor is a visual tour of the farming communities of south Florida. I have been an attorney in this area for over 18 months, and the sight of listless children living on a diet of beans and grits shocks me. Aside from my personal observations, various studies have demonstrated that hunger and malnutrition do exist in Collier County.

In December of 1967 a team of investigators from the Citizen's Board of Inquiry Into Hunger and Malnutrition in the United States visited the Immokalee area on two occasions. Included among the investigative personnel was Dr. Gilbert Ortiz from New York. The Citizen's Board of Inquiry issued a press release on December 21, 1967, in which they stated that their study of the Immokalee area had produced evidence of ". . . poverty, poor nutrition, and parasitic disease" among migrant farmworkers and their families.

On April 23, 1968, the Citizen's Board of Inquiry issued its report, entitled "Hunger, U.S.A." That study discussed conditions among farmworkers and other rural poor in Collier County, Palm Beach County, and Lee County, Florida. Collier County is cited as one of those counties having a serious hunger problem.

As a result of the publicity surrounding the Board of Inquiry's press release and other news stories regarding the survey, denials of the existence of poverty, hunger, and malnutrition were forthcoming from various state, federal, and local officials. In light of this controversy, the Florida State Board of Health conducted an evaluation of the health situation in Immokalee, probing particularly into the condition of migrant children. That report was released in February of 1968, and stated ". . . there is no evidence of severe malnutrition or serious incidence of disease in the migrant population."

However, many remarks contained in the report of the State Board of Health can only be interpreted as indicating severe conditions of poverty and deprivation among farmworkers and their families in the Immokalee area. For example, the report states that Collier County is one of the areas of the U.S. with the highest incidence of newly reported active cases of tuberculosis. The rate for the County is 50 cases per one-hundred thousand persons compared with Florida's rate of 23.3 per hundred thousand and the national rate of 27.3 per hundred thousand for the period covering 1962 to 1965. The report concludes "most of these cases occur among migrants (particularly the adult male Negro) . . ."

The study further states that Immokalee schools have 1/20th as many students in the twelfth grade as they do in the first grade, explaining that most males and many females quit school to work in the fields."

The State Board of Health also stressed the need for adequate day care for migrant children and voiced the opinion that a commodity foods program would contribute "significantly to the welfare of the migrants."

At approximately the same time the Florida State Board of Health was conducting its survey, a sample group of 23 children selected at random from farmworkers' families in Immokalee were examined at the Variety Children's Hospital in Miami. The resulting report indicates that among the 23 children examined 38 clinical diseases were found, many with a traceable connection to malnutrition, including 11 cases of iron deficiency anemia, 14 cases of upper respiratory infection, 2 cases of pneumonia. By letter of March 7, 1968, Gerard W. Frawley, Executive Director, Variety Children's Hospital, commented that "the findings in the report are most startling. It is rather incredible that out of 23 children, we found 38 clinical diseases—a most extraordinary morbidity rate for such a group."

The results of hunger and malnutrition can not be overstated, although some are difficult to detect without comprehensive testing and prolonged examination. For example, tests for parasitic infestation require laboratory analysis, and these tests were not conducted on the children either by the State Board of Health or Variety Children's Hospital. However, the report from Variety Children's Hospital concluded, "there is probably a high percentage of intestinal parasites which this test does not reflect."

All available evidence indicates that the incidence of hunger and malnutrition coincide directly with income levels. A nationwide consumption study conducted by the Department of Agriculture in 1965 states: "at each successively higher level of income, a greater percentage of households met the recommended dietary allowances." Bureau of the Census records show that 29.9% of the families in Collier County have incomes under $3000. And this figure does not include the migrant population whose average yearly income nationally is only $1737. The percentage of families in Collier County living below the poverty level would indicate a high incidence of malnutrition.

The effect of low income and poor nutrition on children is especially distressing. The correlation between malnutrition and poverty is reflected in post neo-natal mortality rates. Although nutrition is not the exclusive cause of death, it is of primary importance as a cause in the one month to one year age group. Collier County has an appalling rate of 20.3 deaths for every 1000 live births in this age group. When categorized as to whites and non-whites, the figures are even more shocking. For white persons in Collier County, the rate is 15.3 per 1000 live births,

while for non-whites the rate is an astounding 40.8 deaths per 1000 live births. This is triple the rate for non-white in Florida, over 3½ times the rate for non-white nationwide, and 6 times the rate for all persons in the United States. The comparative statistics on post neo-natal mortality rates in the United States, Florida, and Collier County, as compiled by the National Center for Health Statistics, is attached as Appendix *A*.

While a food program, whether it be a commodity distribution or a food stamp program, cannot solve all the nutritional needs of the rural poor, it can alleviate actual hunger and make inroads into the problems facing those living below the poverty level. The Florida Department of Public Welfare has participated in the distribution of commodity foods received from U.S. Department of Agriculture for many years. However, the program is administered on a county option basis and 17 of Florida's counties do not take advantage of this program. Collier is one of these counties.

While the Collier County Welfare Department has a budget in excess of $121,000, only $6,681.96 was spent for food orders for poor people in fiscal year 1968. The current budget has allocated $7,500 for such food orders.

Our efforts to implement a commodity foods distribution program in Collier County were undertaken shortly after our program began operation in this part of the state.

Public opinion became focused on the need for a commodity food program following the Citizen's Board of Inquiry report, the State Board of Health survey, and the Variety Children's Hospital study. In March of 1968 Mrs. Marion Fether, a member of the Immokalee Migrant Committee and a social worker for the Collier County Board of Education, appeared before the County Commission to report that 250 families were suffering from severe hunger because of adverse weather conditions and restrictions which prohibited local officials from granting them assistance.

Also during the month of March the Community Action Fund Migrant Program, an active anti-poverty agency serving this area, attempted to persuade the Collier County Commission to accept a commodity foods program.

Mrs. Hazel Griffin, Director of the County Welfare Department, has been quoted as saying "if we had a federal commodity distribution program, I am sure we could use it." Mrs. Marion Fether, who had previously spoken out about the conditions among farmworkers in Collier County, voiced her concern over the need for some sort of an emergency program, perhaps of a voucher type, which would help families with children to get food if they needed it. She is quoted as saying, "I sometimes feel the children are forgotten," and "I go into the homes and look into the refrigerators and cupboards and I know they were hungry."

Mrs. Eleanor DeWilde, Director of the Naples Welfare Association, has admitted the possibility that hunger exists in Collier County.

On July 1, 1968, I wrote to the Secretary of the U.S. Department of Agriculture urging him to exercise his authority to establish a commodity foods program in Collier County.

A short time later, Mrs. Hazel Griffin, Director of the Collier County Welfare Department, reported that the Department's food budget had been depleted, and that 75 persons had applied for food relief during the month of July. The County Commission replied by pointing out that they were unable to fill county jobs for which they were presently recruiting, and that they felt the jobs would be filled if people became hungry enough.

On July 18, 1968, Mr. E. Lee McCubbin, State Director of the Commodity Foods Program, appeared before the Collier County Commission to map out plans for an estimated $434,000 food distribution program. By Mr. McCubbin's estimate, 4,200 persons, or 15% of the estimated 27,700 population of the County, would be qualified for a commodity foods program, while only 795 persons in the county are qualified for public assistance under the State Wefare regulations.

It is noteworthy that the disparity between the number of persons estimated to be eligible for commodity foods and those in the county who are eligible for public assistance is approximately 12%. This would seem to be the affect of the residency requirements upon migrant farmworkers. The Collier County Welfare Department has a residency requirement of 6 months, and State Welfare has residency requirements ranging from one to five years for its categorical assistance programs. Obviously, the migrant does not fit into this scheme.

On August 6, 1968, I received a reply to my letter to the Secretary of Agriculture. He pointed out that the Department of Agriculture was attempting to expand its food programs to reach all non-participating counties. The Secretary expressed his support for our efforts and voiced the hope that the local community action agency would work closely with the County Commission to initiate the operation of a food program.

Collier County rejected the food program on the basis that the expense would be greater than the good accomplished by it. The commissioners felt it would cost $3 to give away $1 worth of food, but at the same time promised to put more money into their own food budget. Their budget figures do not support this promise.

Shortly thereafter I corresponded with Whitaker, Chairman of the Collier County Commission, in an effort to get the commission to reconsider the program. In my letter I expressed the opinion that a county which grosses $40 million a year on its farm crop should show more concern for the farmworkers upon whom the harvesting of that crop depends.

On August 13th I appeared before the County Commission to urge them to reconsider their decision. The commissioners reiterated their stand, and expressed the philosophy that "Collier County takes care of its own," which has been the tradition in the county since the days of the New Deal, when county officials rejected WPA and other federal aid projects.

In October I spoke with the Department of Agriculture's Regional Director for food programs for the Southeastern United States. He advised me that he would meet with Collier County officials in the near future in an effort to persuade them to accept the food program.

In recent months Dr. Charles Bradley, Director of the Collier County Health Department has attempted to implement a supplemental food program for pregnant women and their children under six years of age. Dr. Bradley's efforts to date have not been successful.

On November 21st of last year a suit was filed to require the Department of Agriculture to institute food programs in all nonparticipating Florida counties. Collier County was named in that suit.

On December 11th the Collier County Technical Action Panel, which was established under the auspices of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service, advised the Secretary of Agriculture that it had unanimously resolved to express their feeling that there is a ". . . crucial need for a Commodity Foods Distribution Program in this county."

With this chronology in mind, I would like to summarize the reasons stated by Collier County officials for their refusal to sponsor a Commodity Foods Program and suggest recommendations to the Committee regarding possible solutions to the problem.

I have outlined the facts which we believe point to the need for a food program in Collier County. Before discussing the failure of the county to institute such a program, some mention should be made of the successful efforts in Collier County to help the rural poor. The County participates in the school lunch program, and figures for the month of January indicate that in Immokalee, 20% of those students who participated in the program received lunches either free or at a reduced price. Mrs. Eliose Lester, Director of the Collier County School Lunch program, feels that this percentage of free and reduced price lunches does not adequately reflect the total of those who need the program.

There is also a breakfast program functioning in Immokalee's elementary schools. In January an average of 533 students per day participated in it. Mrs. Lester has expressed the opinion that this program should be expanded to include students in secondary schools.

The county's Headstart Program, which operates out of this building, served a daily average of 75 free breakfasts and lunches during the month of January. The Headstart program reaches only a small portion of the children in the preschool age group, and not all of those who participate attend classes regularly.

In addition, there are two day care centers in Immokalee which receives commodity foods from the Lee County program.

I commend the Collier County Migrant Health Project for its dedication and concern for migrant families, particularly in the field of nutritional education. I am aware of their financial and manpower limitations, which cause their impact to be limited in terms of the entire migrant population, which the Health Project estimated to be 22,000 persons during fiscal year 1968. In that same period the total number of patients treated by the Collier Migrant Project was 2,075.

While these efforts are praiseworthy, it is our opinion that poverty, hunger, and malnutrition still exist in Collier County. The failure of the County Commissioners to meet these problems is perplexing.

I would like to turn now to the particular reasons stated by the county commissioners for their opposition to the commodity foods distribution program.

First, the county commission believes that the administrative costs of the program would be prohibitive. They have estimated this cost to be from $40,000 to $55,000 each year. We believe a study of Collier County's poor and the facilities needed to serve them will indicate that the commission's projected administrative costs are excessive. By contrast, the administration of a commodity foods distribution program in neighboring Lee County is budgeted at $8,265.00 for the present year.

Secondly, the commission has voiced the opinion that it will cost $3 to give away $1 worth of food. We believe this is patently erroneous and absolutely incapable of substantiation. This view is based on a purported lack of storage and refrigeration facilities and the commission's theory that it would have to build such facilities in order to distribute the commodity foods. The building we are in now is in many ways an ideal location for a commodity distribution center to serve the rural poor. In addition, this school is equipped with a refrigeration unit and has considerable unused storage space.

Third, the commissioners object to the federal guidelines for the administration of the program.

A fourth reason given is the county's fear that the poor will refuse to work if they receive free food. A suggestion made by the President of the Immokalee Migrant Committee and the Immokalee Chamber of Commerce, Capt. Harold Reece, was that the program be operated in conjunction with the Farm Labor Bureau, so that workers who refused to accept jobs offered them would be

considered ineligible for the commodity foods program. We believe this fear to be baseless. Countless other rural counties in south Florida and across the nation which depend upon farmworkers to harvest their crops administer commodity food distribution programs according to federal guidelines. To my knowledge no county has been faced with the problem anticipated by the commission.

Another objection is that any program which renders sustenance to the rural poor might inadvertently lend support to efforts to unionize farmworkers. Implicit in this criticism is the attitude that the farmworker must remain dependent upon the farmer for his livelihood.

The opinion has been expressed that a commodity foods program will present a danger to the grocers in Immokalee and other areas of Collier County in which concentrations of poor people are found. This is considered a threat to these businessmen, and cannot be discounted as one of the major factors in opposition to the program. It is our belief that the commodity program would not be a threat to grocers in Collier County, as it has not been to grocers in other communities in which the program is successfully operating.

I cannot recommend too strongly to this committee the immediate need for either a commodity foods distribution program or a food stamp program (or a combination of the two) as a partial solution to the nutritional problems of Collier County. I would further recommend that the program be administered by either the federal government or by a community action agency, in view of the consistently negative attitude of the Collier County Commission. It is my firm belief that, in spite of the good faith efforts of many concerned people in Collier County, a locally sponsored program would be very begrudgingly accepted, with the result being an unwillingness to apply for assistance on the part of those persons who need it most.

In addition to the institution of a food program, I urge the committee to recommend that an expanded nutritional education program be undertaken with sufficient outreach to cover a larger segment of the migrant population.

Lastly, we cannot delude ourselves by thinking that any food program can completely solve the problems of the rural poor. We do not have the time today to fully discuss the deplorable conditions among migrant farmworkers in this country. However, I would be doing a disservice to this committee if I did not mention the other possible avenues of approach which could be taken by the Congress in an effort to help alleviate the problem confronting the migrant farmworkers. Much attention is being focused on urban problems. However, the crisis in our cities is one result of the plight of the rural poor.

I have several suggestions that I hope will be considered and which I believe would aid in the solution to the problems of hunger and malnutrition.

Additional health programs and facilities are urgently needed at the federal, state, and local level.

In the area of welfare, specific obstacles facing the rural poor are the residency requirements, inadequate budgetary standards, and the fact that welfare recipients in Florida and elsewhere receive payments which do not meet minimum subsistence levels.

With regard to working conditions and the employment status of the farmworker, there is a tremendous need for additional legislation. Farmworkers are not covered by the National Labor Relations Act. The Federal minimum wage law covers only 390,000 of the 1.4 million farmworkers in the country. Agricultural laborers are not protected by workmen's compensation or unemployment compensation laws. Even the Social Security Act is ineffective in its application to farmworkers.

Lastly, the environment of the rural poor could be significantly improved by full funding of the Housing Act of 1968.

I realize that this committee is focusing its attention specifically on problems relating to hunger and malnutrition. While the food programs should be given top priority, every possible avenue that will help improve conditions among the rural poor should be exhausted. No one program will alleviate the poverty, deprivation and despair visited upon the poor of this country. What I would hope and urge is that the Congress and all concerned citizens commit themselves to forceful and positive action to rid this land of the blight of hunger and malnutrition. Every day which passes without this total commitment results in an irreparable loss in human resources.

(NOTE.—This statement has been prepared with the assistance of Valerie Kantor, Research Assistant; Gerald S. Joseph Cassidy, Staff Attorney; William F. Dow III, Staff Attorney; Michael Kantor, Staff Attorney.)

APPENDIX A

POST-NEO-NATAL MORTALITY RATE[1] PER 1,000 LIVE BIRTHS, 1966—COMPARATIVE STATISTICS[2]

	United States	Florida	Collier County
All persons	6.5	8.1	20.3
White	5.0	5.1	15.8
Nonwhite	14.0	15.6	40.8

[1] Deaths from 1 month to 1 year after birth.

[2] All figures taken from "Vital Statistics of the United States, 1966," vol. I (Natality), vol II, pts. A and B (Mortality), U.S. Department of Health, Education, and Welfare, Public Health Service, National Center for Health Statistics.

MEMORANDUM: EVICTION OF NOYOLA FAMILY SUBSEQUENT TO AN INTERVIEW CONNECTED WITH THE INVESTIGATION BY THE U.S. SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS IN IMMOKALEE

Mr. and Mrs. Edio Noyola arrived in Immokalee with their six children in October of 1968. This was the first year they had come to this area in pursuit of agricultural work. Their housing, until February 27, 1968, was a furnished three-room apartment which they rented from a local landlord for $25 per week.

A short while ago Mr. Noyola complained to his landlord that the overflow from the septic tank collected in puddles under and in front of the building in which his family resided. This was obviously a serious health hazard, especially to the minor children who frequently played near this water. The landlord's reaction to Mr. Noyola's request for repairs was anger and abuse. He refused to correct the situation.

Mrs. Noyola was pregnant at this time and expecting her seventh child. In order to help her mother around the house and to prepare for a proposed move to Texas, the eldest daughter, Anna Noyola, 13, was kept home from school. This was initially approved by the school social worker, but was later reported by her to the Justice of the Peace and Mr. Noyola was fined $100 for having kept Anna out of school. Unable to pay the fine, Mr. Noyola was sent to jail. He was later released to take his wife to the hospital for what resulted in a miscarriage. Upon his return to Immokalee, Mr. Noyola was once again apprehended and returned to the stockade. When Mrs. Noyola returned from the hospital she was forced to sell their car in order to pay the fine and obtain her husband's release.

On February 27, 1969, Mrs. Noyola was visited at her home by an investigator and an attorney from Migrant Legal Services along with another individual working with the staff of the Select Committee. Mrs. Noyola received a check from the Migrant Service Center Project for food through MLS. That evening the Noyolas received a visit from their landlord who demanded the rent that was due him, plus the rent for the next week in advance. He refused to accept $50 for back rent and said, because the Noyolas had complained about the septic tank and people were coming around to look at the house, they would have to move out. That night the Noyolas received a visit from the Sheriff's deputies who said they had been called by the landlord and informed Mr. Noyola that if he didn't move out that night they would have to throw him out the next day. The Noyolas moved and only with the help of friends could they find new housing, and even this was not adequate for their family.

This story well illustrates how the many problems facing the migrant workers of Immokalee combine with hunger to cause untold misery. First, the high rents in the area significantly reduce the buying power of the farmworker. Second, even though the rents are high, the quality of the homes and facilities for migrants is substandard. Third, any request for improvement in housing is useless or, as in this case, can result in the eviction of the tenants. Fourth, the school authorities often fail to understand the special needs of migrant families and at times use drastic penalties to punish truancy. This same criticism may be made of the local legal system which, as in this case, imposes nearly impossible fines on parents who cannot pay and who subsequently must serve the alternative term in jail or sell essential possessions to meet the fine. Finally, if this were not enough, when a family falls on hard times and seeks assistance because they are hungry, they suffer eviction because the landlord feels they have notified the sanitation officials that he maintains a public nuisance. The helping hand they sought to help to alleviate their problems has in fact caused one more.

This story is not unusual and when all is considered it should not be difficult to see why there are families who go without food in Immokalee.

[From the Tampa Tribune, Feb. 17, 1969]

REPORTER SAYS MIGRANTS HUNGRY IN IMMOKALEE

(By Homer Bigart)

IMMOKALEE.—Ten miles southwest of here, strung out like garbage along the edge of a cypress swamp, is Smith's Camp, a gathering place for some of the migrant farm workers who flock here in winter to pick the vegetable crops.

It consists of a dozen or more windowless plywood shacks, all without toilets or running water, all painted a dull green and all facing a dark slough choked with bottles and trash.

Some distance away there are three smaller shacks, two of them privies, the third a cold-water shower. None shows signs of recent use. Few migrants are hardy enough to take cold showers out of doors in the dead of winter, even in Florida, and the latrines are unspeakably filthy, seats and floors smeared with dried defecation. So the people use the woods.

A spigot planted in the ground provides water for the shacks. But the 20 or 30 migrants who live here say the water is foul smelling and foul tasting. The only apparent amenity is the naked electric light bulb hanging from the ceiling of each shack.

Such a place is Smith's Camp, its condition of poverty far removed from the snowy affluence of nearby gulf coast resorts and its people, during frequent periods of unemployment, vulnerable targets for hunger and disease. A senate committee investigating hunger will be in the area March 10.

On a recent Saturday, a visitor found most of the camp's adult population assembled in the canteen. The migrants had just been paid, apparently, and several men and women were finding release from the surrounding squalor by getting themselves drunk.

One woman, still sober enough to talk, said that in good times she made as much as $60 for six days work in the fields, picking beans and peppers, but now work was slack because cold weather had retarded the crops.

"We've got to pay $10 a week for these huts," she said. "Last week the water was up so high we had to wade to the door. I never would've left Carolina, but they told us the rent was free."

A man who introduced himself as "Hobo Bob" reeled out of the canteen and proudly produced an old photo that showed him with a wine bottle in one hand and a pistol in the other, a cigarette dangling from lips creased in a grin. He said he was sending the photo to a cousin in South Carolina, to show the relative what a happy life migrants could lead.

"That's Hobo Bob," he laughed, patting his photo.

Smith's Camp is one of 60 or 70 accommodations for migrants around Immokalee. Other camps seem less appalling in physical appearance but hold a greater potential for human degradation and misery because they swarm with children.

Albert Lee, an energetic young Negro who heads the local antipoverty project, the Community Civic Workers, said it was a bad season for migrants, with heavy unemployment.

Immokalee, a town of 3,000 near the northern edge of the Everglades, normally has a mid-winter population of 12,000 migrants, he said, but now there were only about 10,000. Many who normally wintered in Immokalee had gone to Texas instead.

Immokalee is in Collier County. Many well-to-do retired people live in Naples the county's biggest community, and this element, plus the big farm owners, have insured a highly conservative county government.

The county has a long history of snubbing federal aid, even during the depression era, and in recent years the county commissioners have stoutly rejected the food distribution program of the Department of Agriculture.

Today Collier County offers neither direct food distribution nor the food stamp program. Migrants who run out of money here are out of luck.

How do they keep alive, Lee was asked.

He said he had received on Christmas Eve $500 from the Office of Economic Opportunity. The instructions were that the money could be distributed only for emergency food.

"Now I've got a few dollars left," he said, "but I've been pinching and pinching and pinching."

He explained how he made the money last. He was doling out $1 a day per person to the most desperately hungry, then cutting them off after 14 days.

"That's it," he said. "After 14 days if they can't get handouts from the neighbors they don't eat."

Two young lawyers from the OEO-financed South Migrant Legal services program, T. Michael Foster and William F. Dow, said their organization had been trying for years to get federal food sent into Collier County.

Last summer Foster wrote to the then Secretary of Agriculture Orville L. Freeman, telling of hunger and malnutrition in the labor camps, reporting the refusal of Collier County to participate in making food surpluses available to the poor and pleading for intervention.

Washington did nothing. Congress had authorized the OEO to take over the distribution of food in the poorest counties, which, for one reason or another, were not participating. But Collier County was not poor enough to qualify; the median annual family income, thanks to the wealthy gulf coast resorts, was $4,673 a year.

"I've seen hunger in Immokalee as bad as in Latin America," said Dow, a graduate of Yale and Columbia, "yet the Collier County commissioners always say the problem doesn't exist, that the county always looks after its own 'worthy poor'."

Observers recalled that at a hearing last August Vice Chairman A. V. Hancock warned: "There are those sitting with their hands out waiting to be fed, and that's a situation we won't go for."

Other officials expressed the fear that if migrants were given food they would not work. Others thought that free food would drive the corner grocery into bankruptcy.

Immokalee, which calls itself the "Watermelon Capital of America," is a flat, sprawling, dusty town where people of different colors, black, brown, red and white, live in strict residential segregation. Smith's Camp, out in the swamp, is all black, but there are several other Negro camps inside the town.

These are in "the quarters," an area that contains not only the Negroes but concrete-block huts occupied by Mexican-Americans. Outside "the quarters," scattered around the rest of the town, are camps for white migrants. A few score Seminole Indians live in grass huts on the eastern edge of the community.

Most of the camps are clusters of wooden shanties, concrete huts, trailers. Rents range from $10 to $20 a week, plus utilities. Flush toilets are a rarity, most camps providing a communal latrine. Regardless of the color of the occupants, the camps appear universally mean and squalid.

Mrs. Angela Spencer, 38, and two small pallid children occupied a trailer in one of the white camps.

"I was lucky enough to get three days work this week," she said.

She said she had been averaging two and one-half days of work a week, earning $25, out of which she had to pay a baby sitter $3. The rent was $15. That left $7 for food and all other expenses. She owed $19 in back rent, she said, and $100 in doctor's bills.

There was a platter of green beans and hominy on the stove. Clouds of flies wheeled about. The refrigerator was empty except for three sticks of margarine, a partly empty bottle of milk and a box of powdered milk.

She had been helped from Albert Lee's meager allotment of cash, as had Mrs. Caroline Conner, an attractive blonde who lived in another white camp and was 10 days out of the hospital after delivering a baby girl. Her husband abandoned her.

"We were real desperate," Mrs. Conner said of herself and the baby. "If it weren't for my friends, I wouldn't have been able to make it."

Mrs. Conner said she had been migrating from Florida to the great lakes and back for the last four years, following the spring strawberry crop to northern Florida, then Arkansas, Illinois and Michigan; picking Michigan's blueberries, peaches and grapes during late summer and early fall, then going back to Immokalee for winter tomatoes, peppers and "cukes," or cucumbers.

She liked Michigan best, she said, because migrants got free quarters there. In Immokalee her rent was $20 a week, and she had just about run out of the money she had received from Albert Lee.

In a black camp nearby Mrs. Pauline Milton and 10 children were crammed into a two-bedroom-and-kitchen hut.

"Me and two of the little ones sleep in this bed," said Mrs. Milton, "and there are two beds in the other room and one in the kitchen for the rest."

She had worked two days that week, earning $11.05 each day, and paying $2 a day for babysitters.

"I couldn't afford to give them breakfast," she said, surveying the hungry brood, "but we had boiled beans, rice and potatoes for lunch, and I'll give them the same for supper."

Mrs. Milton is one of a comparatively few migrants eligible for county welfare, for she has lived in Immokalee for seven years. She said she had applied, but had been told that her application would take 30 to 45 days to process.

Of all the ethnic groups, the Mexican-Americans probably suffered most during times of hunger, Dow said.

"Mexicans are proud," he explained, "and feel they are violating cultural mores if they ask for help."

Foster said that the Florida State Board of Health had denied the existence of widespread malnutrition in Collier County.

"People are hungry, no one can quibble about that," he insisted. "And there is a tremendously high incidence of parasitic infection."

Last March, the state health board issued a report saying that a team of doctors had "closely observed" some migrant children at play or in schools and clinics and that "none had gross signs of malnutrition."

The report said that pellagra, a severe dietary deficiency disease, had been noted but only in "known chronic alcoholics."

In reply, friends of the migrants released next day the results of clinical examinations of 23 migrant farm children of Immokalee by the Variety Children's Hospital of Miami.

The sampling uncovered 38 clinical diseases in the 23 children, ranging from pneumonia to worms.

The hospital's executive director, Gerald W. Frawley, described the findings as "rather incredible . . . a most extraordinary morbidity rate" and concluded: "The migrant population must be about the most underprivileged in the nation, at least in terms of medical attention."

In a few weeks Collier County will feel the spotlight of national publicity. The Senate Select Committee on Nutrition and Human Needs is making this county its first stop on a tour of suspected hunger areas.

The committee is seeking information on the failure of the federal food programs to reach millions of poor Americans.

[From the Tampa Tribune, Feb. 19, 1969]

INADEQUACIES OF PROGRAM AIRED—SOME SCHOOL CHILDREN DENIED LUNCH

TALLAHASSEE.—Of the 1,250,936 children attending public schools in Florida one day last September, an Education Department survey shows 58,905 had nothing to eat for lunch.

Another 233,682 brought their lunch from home. Mrs. Thelma Flanagan, director of the state food service program guessed yesterday that 200,000 of these couldn't afford to buy a hot lunch.

Most people think a lot of tax money is poured into the school lunch program for children, especially the needy, Mrs. Flanagan said.

But figures in Mrs. Flanagan's office in the State Department of Education show federal aid provided slightly more than $9 million last year. County funds totaled $3.2 million. The state provides no direct funds.

The total spent on school lunches in the 67 counties was $61,044,080.

Mrs. Flanagan said most of it comes from the children. She said the total federal subsidy, including aid of up to 15 cents per lunch for needy children, averages less than a nickel per plate.

One reason boys and girls sit in school all day with nothing to eat, Mrs. Flanagan said, is because in many school boards the program has to remain solvent.

This, she said, "puts a ceiling on how many free and reduced-price lunches can be served. When they reach the limit, they just close their eyes."

Making the program self-sustaining means that the money the children pay for lunches must pay the salaries of cafeteria employes.

"The kids of this state should not have to pay the cafeteria salaries any more than they have to pay the bus driver or the custodian," she said.

If the state and county funds were used to pay the food service employes, Mrs. Flanagan predicted, the number of children eating hot lunches would jump from the present 66 per cent to 90 per cent in two years.

[From the Miami Herald, Feb. 20, 1969]

OUR CAMP'S NOT BAD, MIGRANT CHIEF SAYS

(By Tom Morgan)

IMMOKALEE.—Perhaps it wasn't the blue bird of happiness, but it definitely was a blue bird that fluttered about Smith's Camp or Smithville. The migrant camp was one questioned in a New York Times story headed "Hunger in America: stark poverty, leaves Florida migrants vulnerable to disease."

Other than the blue bird, a few cardinals flitting through the pines nearby, several ducks, underfoot, a fluffy cat and an old dog the Smithville inhabitants were few and the outlook poor.

Collier County commissioners have said they welcome a U.S. Senate investigation of the plight of migrant farm workers living in the area.

Field hearings of the Senate's Select Committee on Nutrition and Human Needs are scheduled to begin here on March 10.

Committee Chairman Sen. George McGovern (D., S.D.) announced the hearings after publication of the story by The Times.

The Senate committee, which only recently suffered a 40 per cent budget cut, was given new life Tuesday when the full Senate voted to restore the $100,000 previously cut from the study.

The move was the first time in memory that the Senate has reversed the powerful Rules Committee in a head-on fight over a committee budget.

At the camp, 15 green-painted plywood shacks huddle around a small lake near the Audubon Corkscrew Sanctuary. They had little to recommend them except that they had been vacant two weeks. Empty bottles, trash and broken toys littered the ground but one smouldering fire and the ashes of others showed cleanup attempts.

"Usually I have two men cleaning up my camp while the crew's in the fields," explained crew chief Sylvester (Honeybun) Hall. "We aren't staying here now, we're over on the Oil Well Grade and the cleanup men are working there. I work camps in North Carolina, Michigan and Ohio and I don't keep a nasty camp."

While The Times' story said "a spigot planted in the ground" was the only water supply and is "foul smelling and tasting," Hall pointed out spigots between each of the 15 cabins and a pressure water system he repaired just before the crew moved. He still stays at the camp in a new, large and neat three bedroom house trailer with colonial furniture. With him are his wife, mother and six children.

"This 'pitiful' drinking water was certified in December by the Board of Health," said Moise Smith, who built the camp in 1966 and owner until it was sold to Laguna Farms recently.

"It's the same water year round in Immokalee—it's sulphur water."

The water level in drainage ditches was at least two feet below the hut elevation, "and there's more water now than since we've been here," Hall said. The county had a 1.6-inch rain on Saturday.

Other than the huts, an old school bus with the wheels off and up on blocks at one side, the main vehicles were a newer bus that Hall said threw a rod and needed an engine, another new bus that carried the crew in to check with the chief before going to the fields, Hall's pickup and station wagon and Smith's white Lincoln Continental.

There were three privies and two shower rooms in fairly clean condition, but one toilet was fouled up, as The Times had said, and a water line to the shower appeared to have been recently disconnected. Power lines run to each of the eight-by-16-foot cabins and light sockets were in place outside as well.

"It was like a small city when we were here," Hall said.

He agreed few people use the cold water showers "but they all had their stoves to heat water and little foot baths in their rooms to wash in."

Neither Smith nor Hall agreed with other conditions The Times claimed, although the crew chief admitted workers "would be drunk and in the county jail in an hour if I took them into Immokalee on Saturday."

"I had nothing in that building but a piccolo (juke organ) and a soft drink machine," Hall said. "I'd like to see the kind of person who would tell lies like that."

Neither man nor any of the 20-member work crew recalled a visit to the camp by other reporters or photographers, but they did remember a "Hobo Bob" mentioned by The Times and a picture he displayed.

"It was made at the picture place in back of Fred's Barn in Immokalee," they said, and that Hobo Bob had been at the camp some time ago, though no one could say when.

[From the St. Petersburg Times, Feb. 21, 1969]

HUNGER FIGHTERS WILL HEAD FOR IMMOKALEE

(By Charles Stafford)

WASHINGTON.—A little band of evangelists bent on stamping out hunger, rather than sin, will visit the migrant camps of Immokalee next month and if one or two of them claims to be a U.S. senator, don't be surprised.

They are senators, members of the Select Committee on Nutrition and Human Needs. It was Sen. Spessard L. Holland, D-Fla., not entirely happy about having a section of Florida singled out for investigation by the committee, who labeled its members "evangelists in the food field."

George S. McGovern, D-S.D., is chairman. Among the 11 other members are Edward Kennedy, D-Mass., Jacob Javits, R-N.Y., and Charles Percy, R-Ill.

McGovern certainly, and some other members, will accompany committee staff people to Immokalee March 10 for two days of inspecting migrant living conditions and holding hearings on hunger and malnutrition problems. They picked out Immokalee even before a New York Times story painted a grim picture of life in Collier County for a migratory farm worker.

The committee did so because of complaints it received about conditions there, and because the County Commission has refused to take part in federal programs which could make surplus foods available to the poor.

A committee employe said the investigation, first of a dozen field trips throughout the country to look into hunger and malnutrition problems, will be trying to:

Discover how severe are the hunger and malnutrition problems.

Survey and analyze the effectiveness of existing food assistance programs.

The food assistance programs include (1) the distribution of surplus foods, (2) the food stamp program in which the poor buy food stamps on a subsidized basis which can be redeemed at grocery stores for food supplies, (3) the school lunch and (4) school breakfast programs to provide meals to school children.

In Collier County, the spokesman said, the committee will be specially interested in finding ways of helping migrant farm workers who have difficulty in meeting residency and income qualifications for any kind of assistance.

The committee might visit other areas of Florida, he said but no schedule has been set up. Members would like to visit a county with a large migrant population where a food program has been established.

Since Collier County officials claim the surplus food distribution program would be too costly for the county to bear, the Senate group will seek testimony from county officials on the program's drawbacks, the spokesman said.

But he added that the committee will do more than that.

"Where we find a need, we are going to recommend that people be fed," he said. "We are not just going to do a survey."

Holland, second-ranking Democrat on the Senate Agriculture Committee, saw Collier County as a pawn in "a fight going on between two federal agencies as to who will be the principal handler of this (food distribution) program in the federal field."

"The Department of Agriculture has been the principal handler of legislation I have mentioned and other legislation which I can mention and I think that by and large it has done a good job," he said. "However, the Department of Health, Education and Welfare has been trying to get hold of that program."

During debate this week on the resolution continuing the select committee and providing funds for its investigative work, Holland said the New York Times story on Immokalee was "probably a bit of propaganda" in the struggle for control of the food distribution programs.

Holland said he had "no disposition at all to cover up anything in my own state" and would welcome the select committee's visit.

But he said of the newspaper article: "It seems to me, from reading that article, that the reporter was concerned about two things in particular. One was that he found some poor, hungry, ill-fed and ill-housed people, whom he did not describe as migrants, but who I am sure were migrants, in a county where he said the average income per person was $4,600 and where the county commissioners had not been willing to install a food stamp program or a program in the field of general commodity distribution.

"Perhaps," the senator continued, "he was overlooking the fact that migrants do come to Florida in the winter, just like everybody else, including the evangelists, who always come to Florida in the winter; and they come to Florida sometimes before the work is available. Perhaps that might have been the case.

[From the Miami (Fla.) Herald, Feb. 28, 1969]

KIRK ACCEPTS HUNGER LOOK, BUT SAYS STATE DOING MORE

(By Charles Stafford)

WASHINGTON.—Gov. Claude Kirk Jr. said Thursday he has no objection to a Senate committee investigating hunger in Immokalee, but his administration is "doing more meaningful work in all this migrant worker problem than any headline will do."

The Senate Select Committee on Nutrition and Human Needs, headed by Sen. George S. McGovern (D., S.D.) will visit Collier County March 10–11 to inspect living facilities for farm workers and hold hearings on hunger and malnutrition problems.

Kirk, in Washington for a two-day meeting of the national governors' conference,

said: "I hope they do come if they want to come in a sense of accomplishing a survey. But I don't want it to be in any way political."

Both the governor and members of his staff said many urban areas have more hunger than Immokalee. Robert Roesch said, "Frankly, I think we've got in a given square block of Miami, Liberty City, as many or more problems than the entire Immokalee area in terms of human suffering. I've been through all of these places and quite frankly my own feelings are that people in Immokalee are far better off than perhaps they are in some of the real congested slum areas."

There were reports gubernatorial aide James Bax was working to persuade county officials in several counties, including Collier, to adopt a food stamp or surplus commodity distribution program to aid the poor, or to allow the state to do so. But Bax refused to confirm this.

"My recommendations on this will not go to newspapers first," said Bax "They'll go to the governor."

Bax said a program he was seeking to work out with Avco Corp. could help migrant farm workers more than any Senate investigation. But he said he was not ready to announce any details.

Kirk said he met Wednesday morning with Avco officials to discuss an "impact training, vocational training" program that would be carried out at the old Sanford Naval Training Center.

"Our vocational training in Florida just doesn't work," said Kirk. "It's not relevant, it's not productive, and we are not turning out the people we should be turning out for the jobs that are there . . .

. . . You can't deliver a house in Palm Beach County in less than seven months, I am told, because they don't have the people."

Kirk said the state can get a federal grant to help pay for a vocational training program run by Avco. He said he envisions a pilot program for 150 trainees to begin with.

[From the Miami Herald, Mar. 7, 1969]

TRUTH PROBE IS WELCOME

NAPLES.—There will be a welcome in Immokalee Monday for the Senate investigating committee—if it's there to investigate and not merely to backstop a preconceived case.

I'll tell you all about welfare and work, if you'll tell the truth. Some of these newspaper reporters won't tell the truth, said an Immokalee woman this week.

The same for the committee. If it wants to see the truth, it will be welcome. Immokalee doesn't want to prevent aid to migrants or to others in need, but it sees no need to be crucified for a television show like the Miami production this week which I am told could find nothing to picture in the Immokalee area but dozens of outhouses, "more outhouses than I'd ever seen before," as one viewer said.

The most vicious and widely circulated story of all was the one that wealthy Neapolitans were teaming up with the farmers to hold down migrant aid when, for example, it is largely the wealthy Neapolitans who provided an $8-million hospital that is the only one available to migrants and poor people in this county.

The story even reached California and brought an indignant letter from a young college student to the county commission this week.

Writing of "the tragic condition of migrant workers in your area," Miss Sidney Connell said, "one understands you aren't going to give these pathetic souls money directly from your own Christian pockets, but if the federal government offers food and money, what sort of pride is it that is allowing you to deny them to thousands of depressed individuals living on $25 a week?"

The migrants are not in a tragic condition, but it would be false to say their lot is paradise. Some have good conditions, some bad. Some have enough to eat, some don't.

The federal government is the only group which could break this stream of traveling misery, and it isn't trying. It has offered Collier County food but no money, especially no money to handle delivery and distribution of the food. In Lee County this means the county has to use a war surplus warehouse at Page Field and welfare clients have to take taxis or hitch rides to get their food.

Collier doesn't refuse federal free food. It uses that food to see that every migrant school-age child gets a warm breakfast and lunch free and that others with low income can buy meals at 20 and 25 cents. Lee County, which has been justly credited for its food program, sells its meals for 42 and 47 cents and has stricter rules than on "freebies."

The worst aspect of this national publicity is the $25-a-week pay angle, which is totally untrue. Independent reporters going to Immokalee have found workers being paid $11, $17 and even $39 a day in one case.

Labor has been in short supply all season—6,000 to 7,000 workers short at harvest time—according to Don Lander, veteran county agricultural agent.

And it is not just a farm labor shortage. A downtown drugstore has had two-thirds of its luncheon counter closed this week for lack of help. The Naples Daily News this week has been running up to 172 job openings of all types, and the 172 figure is a conservative reading of requests for "men, laborers, waitresses," counting each request as only for two people.

The committee by all means should talk to Albert Lee, who has worked so hard to improve many fields of activity at Immokalee. It should also talk to Mrs. Hazel Griffin, who directs county welfare, Mrs. Eloise Lester, who heads the county school lunch program, Dr. Charles Bradley, head of the health department, and to the Immokalee Migrant Committee which has over the years spent thousands of dollars out of its own pockets and even worked with Naples to raise emergency funds to aid migrants in need.

My own suggestion to the committee members is to act like a good reporter: Believe nobody without checking the opposite side of the story, and go over every angle, not just the beautifully worded and prepared handouts from some non-local source.

[From the Fort Lauderdale News, Mar. 9, 1969]

HOW MUCH HUNGER IN IMMOKALEE?

(By Howard Van Smith)

IMMOKALEE.—Start talking about whether hunger is really rampant along this farming town's main street that looks like part of the wild, wild west and you can just about get yourself into a gun battle—no matter which side you take.

Monday, amid this chipsdown atmosphere, Sen. George McGovern, the South Dakota Democrat, leads this Senate Select Committee on Nutrition and Human Needs into town for two days of hearings at the Bethune Elementary School. With him will be Sen. Jacob Javits, R.-N.Y., Sen. Allen Ellender, D.-La., Sen. Marlow Cook, R.-Ky., and Sen. Robert Dole, R.-Kan. Missing will be Sen. Edward (Ted) Kennedy and six other members of the committee.

The charge, made mainly by the South Florida Migrant Legal Aid Services, is that there is malnutrition bordering on starvation brought on by lack of work—and especially among the older or otherwise incapacitated migrant and other farm workers. Free government food will be asked.

The countercharge, made mainly by the farmers, businessmen and the Immokalee Migrant Committee, is that there is plenty of work for those who want to work even though this is the "off season"—between the fall and spring harvests. No such giveaway food is needed, they say.

The gap of misunderstanding is very, very wide.

IT BEGAN

The controversy began—and brought the Senate here—on the basis of a Feb. 17 story in The New York Times which told of hunger at the starvation level and wages too low to live on because there was not enough work. The story was admittedly "fed" by the Migrant Legal Aid to writer Homer Bigart as part of a "Hunger in America" series. A key picture showed a youngster under two with a caption, "Child's distended abdomen indicates malnutrition."

Since then doctors who have seen the picture say it surely doesn't represent malnutrition. True, the child has a big stomach but where are the spindly legs and arms that with a distended stomach factually spell out malnutrition? This child, they say, is merely fat.

Some people refuse to talk. Immokalee doesn't like the front page. It's been there before. People here still smart from the memory.

The year was 1958. But actually it began on Dec. 8, 1957. It just took time to settle in.

There was the kind of frost-and-freeze the farmers call a wipe-out. There was no work from then on for the migrants.

THOUSANDS HUNGRY

By mid-January the number who were without food was in the thousands. No one could give the exact number then. Immokalee is an odd town in this way. It is still unincorporated. This meant then—more so than now—that there were no laws covering sanitation, housing, health or anything else. There were no county laws that could be substituted or active state laws.

Neither had Immokalee been a farming town then for too long, although it was boasting it would overtake big Dade County with its 50,000 acres in winter vegetable farming. (And since then with sugar cane and an increase in tomatoes it has considerably narrowed the gap.)

By early February the condition was so serious migrants were dying. The one doctor in the town—still the same Dr. Hinton and still the one doctor—was sick with hepatitis. He had always done a big business with the migrants, one he's mostly lost now to the health clinic built in that year of famine.

A common sight to see then were the migrants who had some kind of old rattletrap—there was hardly one left that did run and no gas for that—rolling bald tires into the service stations and trying to sell them for 10 cents with which to buy some bread or fuel.

Yes, it stayed cold. The elements combined in this misery. Paratyphoid broke out. So did other diseases. It was known by then that 4,500 migrants were stranded. Some took to the woods. Some died there.

CENTER OF MISERY

All this misery centered in a place called Shacktown. This term when used in Immokalee makes the residents squirm. Call it the Quarters, they urge. But if ever there was a jungle of misery and destitution it was Shacktown. It is nearly the story of Immokalee itself.

Discovering dike farming brought the migrants to Immokalee. These dikes enclose fields into which water is pumped in or out as needed. But these farms are not in Immokalee. Not even one can be seen from the edge of the town. They're spread for miles and miles over the countryside, in places with names like the Devil's Kitchen. But nearly all the migrants lived in Immokalee, in Shacktown. In fact it did then, and still does, make up a community of about 5,000 when fall or spring farming is peaking.

Once Immokalee had been a lumber town. Here a great deal of cypress was milled. The boards that were planed off, some of them

of the pecky type that have big holes throughout, were ideal for making shacks. Other leftover lumber helped. The residents of the town saw a new industry. They built the shacks and rented them to the migrants.

SOME ANSWERS?

The obvious places to find the answers to such contradictory charges would be the town's only doctor and the local Collier County Health Clinic.

Dr. Forrest Hinton, the local physician, replied to the question by saying: "There are only three times to get your name in the paper: when you are born, when you get married and when you die. So far, I've had mine in twice and that's that."

At the clinic a nurse, on the condition that her name not be used, said that there had been no increase in malnutrition but some had to be expected in an area which had a population, at season peaks, of 7,000 migrant and other farm workers and their family members.

But there had to be more to it than that.

Perhaps the most useful observation came from a teacher at the Pine Crest Elementary School, which is integrated and contains farm children. He not only refused his name for "protective" reasons but ducked every time a camera was aimed at him. But he did say:

"I'm sure there is malnutrition. We serve free breakfast and free lunch, two meals a day, and give milk later in the day also, and I'm sure there wouldn't be any reason for doing that if there were no malnutrition."

Many of these shacks were so rickety they were falling sideways. Many were so small they would squeeze one man, yet families of 10 were in them. They rented for prices up to $10 a week, and at that time migrants when working were making 60 and 65 cents an hour. Before the freeze children went to the fields with their parents to try to meet the cost of rent and food.

SANITATION UNKNOWN

Sanitation was just about unknown. The only real argument was whether there should be pit-type outhouses instead of surface ones. One served a cluster of shacks. So did one well and usually it was located near the latrine.

The water also was high that winter. It flowed around the latrines and sewage floated in it and around the well nearby. The water flowed across the floors of many shacks and the cold remained. Sometimes it went down into the 20's. And yet in this huge mass of hungry, stranded humanity women still kept on having babies. One public health nurse tried to work against all this, to do what she could, and one time she kept working day and night when her own temperature was 102.

Conditions had always been so bad in Immokalee that the farm labor bureau of the Florida State Employment Service called it "the forgotten area" and refused to send migrants who used its service there.

Those who did come, with an unusually heavy amount of Mexican-Americans for a Florida farm area, were what were called "free-wheelers." They came on their own from wherever they left. Migrant labor, with some 3,000,000 workers and their families, is big business in America. So, long ago the states began cooperating in moving crews (about 50 men bossed by a crew-leader) to the farm areas of the nation as they needed them. Certainly some of those areas were bad enough, such as can still be seen in Broward County, but Immokalee was just too much even for the farm labor service.

A curious thing happened at the start of this misery. The Immokalee Migrant Committee was a body supposed to function in an emergency. But then who expected an emergency? There hadn't been anything really before. The chairmanship revolved among better known people although there was no particular need to hold meetings.

A MINISTER ARRIVES

At that time a young Methodist minister had come to town to preach at the Immokalee Methodist Church and occupy the nearby parsonage. His name was the Rev. David Newell. He was honored by giving him the chairmanship. It was entirely an honor, not because he knew anything about migrants.

Young Dave Newell suddenly found himself the rallying point of a debacle, of trying to control the swirling of what was literally a human cesspool. He began working day and night and he thought the others on the committee cared as much as he did. Perhaps some did. But others were there for the "front" the committee had become.

At one meeting Rev. Newell heard a member ask a farmer what should be done with all the destitute migrants. The farmer suggested digging a hole and dumping them all in it.

From then on, still never slowing his pace, Rev. Newell began working more with a reporter as a means of bringing in outside help. The town he knew, was trying to cover it up.

Eventually these newspaper stories brought in $150,000. At the worst time of the crisis government surplus food was sent in after a long delay because of freight cars "lost" enroute to Immokalee. But this food given out each month only amounted to enough for a week at best. The town was full of babies and little children and it contained nothing for them. Also the main item was cheese as a protein.

A remarkable fact emerged about this item. People of Mexican descent—and Immokalee had many—can't eat cheese because of their natural oily diet. It wasn't a matter of taste or anything like that. You might as well give them a block of wood. Finally a Puerto Rican dietitian was brought in, who said all this was not only true but the "blocking effects of cheese on the Mexicans could increase the amount of illness.

The newspaper stories brought the money and the money bought supplemental food and kerosene. The stories also brought many other things, including clothes and cases of baby food from the Pablum Company that arrived by the freight car-load. Rev. Newell set up his supplementary food depot at the Lions' Den, home of the local civic club. For months he labored at this.

Dr. George Kareles of Newberry, Fla., then head of the rural health committee of the American Academy of General Practice who even before that year had wanted Immokalee investigated and somehow changed, said this effort had saved the lives of dozens, perhaps hundreds.

The stories kept flashing across the country. They told a far, far different story of Florida, the land of sunshine and palms. Then Gov. LeRoy Collins became admittedly angry because he couldn't believe anything was that bad in his state.

He sent his adjutant general down with an investigating group. They landed at the local airfield, were given a careful tour by a farm group of one hour and a lunch of one hour. They then flew back to Tallahassee and announced the farmers had the Immokalee conditions under control.

The Rev. Newell spoke bitterly about the "whitewash" and the stories became more strident also. Finally Gov. Collins, "incognito" in a hunter's outfit and his wife, Mary Call, literally sneaked into town.

The meeting of the minister who had stood up against virtually an entire town as the voice of the voiceless starving 4,500 and the governor was—for a fleeting moment—one of the most dramatic of those which happen when migrants experience one of their frequent tragedies. They stood together for a moment looking down upon Shacktown. Then the governor said, "It's only fit for a bulldozer." Behind him Mary Call Collins kept repeating, "Oh my God!"

When the governor left he said he would do something. There were no laws he was told. He would find them, he said. And he did.

Sanitarians came in as soon as the migrants had gone in the spring and condemned 90 percent of the buildings. Other laws on health and sanitation were found and enforced.

But that didn't mean these buildings would all disappear. Declared "unfit for human habitation," they could not be rented. Many just collapsed. But some remain.

THE HEAT'S OFF

The story went around town, something gangster-like in tone, that in time "the heat would be off." Today some of these "unfit" buildings are back being rented. Someone is helping to overlook. Others that made it through the hammer of condemnation signs have reached a stage as bad as the others were 10 years ago.

Shacktown in all its cesspool-like horror is well on its way back. It's again a place in America that Americans wouldn't believe until they saw it. Americans, they think, do not live this way. But they do. And pay dearly in rents.

Shacktown, then, was the place to pursue the controversy that has one part of a town fuming at the other part—and which Sen. McGovern will see Monday. What do the people who live there think?

Mrs. Rosalee Brown explained she was born "century-time," which means she's 68 or 69. She can get no state welfare because she's a migrant—and of course there is not local welfare.

But she must pay $12 a week for half a house whose two "apartments" are contained in a building that, were it a garage, one car would find it a tight squeeze.

"I can't do stoop work (squatting for picking) so good anymore," she said. "An' it been cold a lot so I ain't had no work since last fall."

She said a grandson supports her.

TWENTY-FOUR DOLLARS A WEEK

But Mrs. Brown and Mrs. Mabel Allen who lives in the tiny cubicle on the other side together pay $24 a week, more than $100 a month for their tiny cubicles, and all these places are cubicles. There's no other place to go.

James Kelly is 71, diabetic and lives in a bus.

He described it succinctly, "They ain't working and they ain't eating."

It's easy to see a lot of people aren't working because they're around Shacktown during the day. But why?

Authorities and farm people say there's all the work around needed to employ everyone. The town isn't as full now as during its fall and spring harvesting peaks. That's what the farm people say. They say the migrants are down in Dade and over in Belle Glade mostly. But still no place is empty. Even one cabin that is teetering so badly it will collapse at any moment is occupied.

Agreement is hard to come by in Immokalee.

Albert Lee, who heads the Community Civic Workers of the OEO's legal aid group, says it has been a bad season for migrants with heavy unemployment. He explained when he said "migrants" he really means farm workers in general because about half are migrants and half are year-round residents. The word migrant is becoming a misnomer because so many are dropping out of the "streams" because by living year-around in a place they can become residents and eligible for welfare.

He said Immokalee, an unincorporated area which doesn't bother much with censuses—and no one has ever been able to take a census of the wandering migrants anyway—has a normal population of 3,000 and bulges to 12,000 in the winter growing season.

Stanley Wrisley, publisher of the local paper, The Immokalee Bulletin, said the local

population is about 5,000 and the number of farm workers is about 7,000. But he says half of these stay here year-around and half are true migrants.

This divergency of opinion indicates how little is really known about this vast population of people who live at a subhuman level here and who will attract Sen. McGovern's inquiry Monday.

ANOTHER ODDITY

Another oddity is that Migrant Legal Aid, which set up the show, now refuses to show newspaper people the places they have cited as "extreme conditions." The obvious reason is that the members fear publicizing of this has backfired on them and owners of such places are making an effort to clean up in advance of the committee's visit.

Down in Shacktown no one seems to know about the senatorial inquiry. All they say, in case after case, is that there is very little work and that the high rents are taking what food they could get out of their mouths. They say they are hungry, very hungry.

Clarence Gaskin, who lives with his wife and one son in one of the shacks, said, "This place is a pigpen, that's all. Just look around you."

Around him is every kind of shack. One group is of corrugated sheetmetal and none larger than a small tool shed. Certainly smaller than a jail cell. In one a man, trying to keep warm, recently burned to death. His burned shoes and a few skimpy charred belongings still lie in front of the shack. The metal is held up by a few two-by-fours. There are no windows but a piece of board can be pulled down when the occupants are away. How even a small family can get into one is impossible to imagine. But the rent is only $7 a week. Eight of these on the space of about half a lot bring in $56 a week.

* * * * *

A CONSTANT THEME

That's a constant theme: migrants as destitute as they are nevertheless are good business for the townspeople.

Neither Mr. or Mrs. Gaskins had made a dime by late last week but somehow, like the others, they manage to eke out or borrow a few cents to pay sky-high prices for cheap food and rental payments—and these must be made every week to stay in a place.

Sylvester Parker, 46, who was lugging a collard he'd got out of a friend's garden along the street under his arm, said, "Work is bad and I'm hungry. You talk to me after I eat this up."

Earl Jones and his wife pay $13 a week for a tiny cubicle in a long building of tiny cubicles. The ability, in these larger places, to get so many "apartments" into so little space becomes architectural wizardry.

Mrs. Ina Delgedo, lives in what is called "Utopia Apartments." This is in the Spanish-American section of Shacktown. She has eight children and no husband and pays $17.14 a week. A 16-year-old son, Bernardo, works to support the family. She speaks very little English but what she does say is: "Not enough work among people and people very hungry."

How hungry are they? How sick are they?

* * * * *

SAME RESULTS

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The Rev. Keith Kelly, who has replaced David Newell also subs in the schools. He's also been made a member of the Immokalee Migrant Committee but there's never been a meeting in the months he's been there. He said:

"There's work if they want to work. There was one bad freeze last fall when nearly all was harvested so it didn't slow us down too much."

County Commissioner Ewell Moore, a former Immokalee farmer himself, is a veteran of the 1958 crisis. He was in charge of government free food distribution and worked long and hard for the migrants during that period. He has been asked to testify and he isn't hesitant about what he has to say:

"They're accusing us of refusing federal commodities here and we're right. We're not going to spend $40,000 or $50,000 of the taxpayer's money, especially after what a tie-up I learned it meant after speaking to Lee McGovern (no relation to the senator but in charge of surplus food in Florida.) If you decide to give these people groceries you won't have any workers."

County Commission Vice-Chairman A. C. Hancock had this warning: "There are those sitting with their hands out waiting to be fed, and that's a situation we won't go for."

A PUT-ON SHOW

And you can even find migrants—or farm workers—who agree, though it takes a lot of looking. Mr. and Mrs. Santo Sanchez walked along a street in Shacktown. She said: "I ain't sure this is such a bad time." She said she and her husband, despite the cold weather slow-up, had made about $30 apiece last week. And some weeks they'd averaged $100. They're buying their own home. But, too, they are not field hands but work in the packing house grading lines. In migrant territory that's the aristocracy.

Publisher Wrisley, a former migrant himself who has also been asked to testify, calls it a put on show and he'll tell Sen. McGovern that.

"The OEO is trying to garner publicity to get a new lease on life," he said, in obvious reference to the Migrant Legal Aid which the state government division controlling OEO funds says will be cut off at the end of the fiscal year because it has been such an unnecessary irritant. "Gerry Cassidy, one of the attorneys of the South Florida Migrant Legal Aid Services, did it in an effort to try to stave off being put out of business."

He said he is going to ask the legal aid people to produce before the committee the cases of malnutrition they say are here, not just talk about it.

"This isn't any 1958," he added.

The conclusion? There's only one left to come to. The prediction that Shacktown is returning to a place of disease and filth is true—as lucrative as it is to some townspeople. The gouging rents always take a huge bite. But when work slows down that big bite doesn't and it's big enough then to consume a lot of families' groceries. Then there's hunger. There's malnutrition. There are all those things associated with it, such as disease.

Sen. McGovern will have to make a big decision Monday. But will he overlook the obvious—after a look at Shacktown what will happen if there's another freeze such as in 1967? Perhaps not this year but the next or thereafter. The seeds are there; for complete human degradation and destitution, for famine, for virulent epidemic disease—yes, for the cycle of death.

[From the St. Petersburg Times, Mar. 11, 1969]

JAVITS: SLUMS BETTER THAN IMMOKALEE SHACKS

IMMOKALEE.—Sen. Jacob Javits, R-N.Y., said yesterday the poor people in the pine shacks of a southwest Florida migrant labor camp are worse off than New York's slum tenement dwellers.

"In the slums they at least have toilets," said Javits after he surveyed the dingy, smelly community outhouses and outdoor spigots in a labor camp.

Javits and other members of the Senate's Committee on Nutrition toured one of the 50 labor camps which house some 10,000 migrant workers who annually come here to harvest vegetable crops. The migrant population is nearing a peak with the approach of the early spring tomato harvest.

As the committee began its tour, T. Michael Foster, assistant director of the South Florida Migrant Legal Services Program, reported figures showing that 20 of every 1,000 children born in Collier County die before they first birthday, primarily of hunger and malnutrition.

He said the death rate among nonwhite children in the county is "an astonishing 40.8 deaths per 1,000 births. This is triple the rate for nonwhites in Florida."

The committee, headed by Sen. George McGovern, D-S.D., saw migrant shacks made of pine and covered with tar paper roofing, and many of them had been spruced up with paint for the visit of the committee.

"On visits like this, you get the feel of it. I am sure it's tricked up in some cases for our benefit but it is pretty hard to sweep a whole community under the rug," Javits said.

"Hunger is uniquely appealing to the American people. This is what has really touched the conscience and what is worrying the country."

McGovern, whose committee is making the first of several field trips, expressed concern over the cost of the proposed anti-ballistic missile system President Nixon is studying and said he believes such military considerations "delay the day when we can come to grips with problems like this."

"This is sub-standard housing as we see it today. We will see conditions like these in many parts of the United States," McGovern said.

One of the committee's first stops following a 75 mile-an-hour motorcade from Fort Myers to this farm community of some 4,500, which lies in the rich growing land midway between Florida's inland Lake Okeechobee and the Gulf of Mexico, was the home of Mr. and Mrs. George Adderson. It was an unpainted three-room shack that leaned with age and was lit by a bare bulb inside.

The senators crowded inside to talk with Mrs. Adderson, a 65-year-old invalid who sat in a rocking chair and told the committee she supports her 69-year-old husband and four children on a monthly Social Security-disability income totaling $134. She said the main diet was peas and beans.

"It's obvious the woman has never known what it is to have a decent standard of life," McGovern said as he emerged from the shack, shaking his head.

"There's evidence when you look around this house, this is a poverty stricken family. They are not even aware they are poor."

He said he believes the answer to some of the migrants' problems is food stamps and commodities, "but it also is a nutritional education."

"After talking with her it was obvious she didn't know anything about an adequate diet," McGovern said.

"We're trying to find out the nature and dimension of the problem, then make recommendations for new legislation to correct the problems."

The committee also visited Rosalee Bryant, 19, an unmarried mother of four who is one of the residents of a complex of dingy white two-story block apartment buildings which house Negro families, most of them farm workers.

Miss Bryant, a thin woman dressed in slacks and blouse, told the senators she lives on $50 a week she makes working in the fields, but that she cannot always work. She pays $65 a month for her apartment and $3 a day for a babysitter when she can go to the fields.

"Do you ever go hungry?" McGovern asked the woman.

"Yes sir, it was during the summertime when there was no work. There was too much rain." She said neighbors gave her enough food for her children until she was able to work again.

[From the St. Petersburg (Fla.) Times, Mar. 11, 1969]

COLLIER OFFICIALS PROTEST HUNGER PROBE

(By Sam Adams)

IMMOKALEE.—Collier County officials attempted to thwart hunger investigations here yesterday by interjecting during a national television taping and disputing testimony of some residents during field study.

Lester Whitaker, County Commission chairman, said some of the statements about widespread hunger in the Immokalee area are not true.

Rep. Paul Rogers, D-Fla., criticized the decision of the select Senate Committee on Nutrition and Human Needs for failing to include visits to some of the better exhibits in the county such as self-help housing.

Even Gov. Claude Kirk, who surprised the committee by flying in just as the 1 p.m. hearing was to begin, chided the committee for not contacting him to learn what he and his aides had uncovered in prior investigations. The committee will continue their hearings today.

He also complained that the physician in charge of the county's health clinic was not scheduled to appear and that a nutritionist rather than his boss was to testify. "I like to hear from the chiefs not the corporals," Kirk said.

Freshman Sen. Marlow Cook, R-Ky., brought muffled rumbles from the packed hearing room while questioning Albert Lee about a side trip he took to a migrant camp called Smith's visited earlier by New York Times reporter Homer Bigart, whose stories brought national publicity. (Lee was one of the drivers in the caravan transporting the committee from Fort Myers.)

"I just shook hands with a camp boss with wet paint on his hands. Some people are concerned about retribution for what they say to this committee. I want it known that Lee didn't want to take me out there," Cook said of his visit to the camp.

Smith's Camp, which was temporarily closed after Bigart's visit and sold to another owner, is one of several camps apparently receiving quick paint jobs in preparation for the committee's widely publicized visit.

Cook's party included Lee; Robert Choate, who was staff director of the private Citizens Board of Inquiry into Hunger and Malnutrition and a St. Petersburg Times reporter.

The Kentucky senator said his state has probably as much poverty and hunger as Florida and if investigators came in there they would find it. But, he said, the purpose is not to give Florida a black eye and officials are erring in taking that attitude.

When the Cook car broke away from the caravan it was followed to the camp by the county health inspector in an official automobile. The inspector took pictures of the little touring party as it inspected the camp.

At Brown's Camp, about three miles away, Cook found a large group of Mexican children playing and had three take him through their families' two 8 by 10 shacks.

He noted the occupants paid $15 week for rent plus $5 for electricity and said the owner was collecting about $250 a month for operating a small generator, which supplies electricity to the camp.

Cook called excessive $20 per month for electricity for heatless shacks with one light.

The three children included a 14-year-old boy whose growth the senator said was stunted and who was three grades behind in school. He was about 4 feet tall and hardly understood English. The children said their parents and three adult children live in one of the shacks and six younger children live in the other, some sleeping on the floor.

"It doesn't speak too well for this area and for the nation when a boy is three grades behind and brags about it," Cook said.

He rejoined the caravan at Bethune Apartments where Congressman Rogers was being questioned about license tag inscriptions on his car that stated, "I fight poverty. I work."

Rogers said the inscription is relevant because the County Commissioners told him they have been looking for 20 workers and were able to get only five out of 100 available. Questioned further about why the others were not hired, he admitted he wasn't filled in on the details.

Sen. George McGovern, D.-S.D., reacting to criticism for not scheduling some of the nicer sites, said it wasn't their purpose to look for the beautiful. The committee, he said, wants to find the extent of the existence of hunger and to structure programs to deal with it:

"In this nation of abundance if we can't solve the question of hunger and malnutrition we can't do anything," McGovern said.

Both McGovern and Sen. Jacob Javits, R.-N.Y., talked of having the federal government do the job if local governments continue to reject food programs.

[From the Miami (Fla.) Herald, Mar. 11, 1969]

THERE'S LOTS OF HUNGER IN IMMOKALEE, SENATORS AGREE AFTER LOOK AT MIGRANTS

(By Matt Taylor)

IMMOKALEE.—They didn't vote on it, but five senators looking for hunger in Collier County Monday agreed that they found plenty of it.

Sen. George McGovern of South Dakota found people "living on fatback and peas" but offered county authorities who had refused federal help his understanding.

Sen. Jacob Javits of New York, outspoken and biting, found people "living in houses fit for chickens and pigs—but not people," and said if the county wasn't going to do something, the federal government must.

Sen. Marlow Cook of Kentucky, who took a private tour of his own, found that "when they came out and met me, their hands were still wet with paint." The senator was referring to a cleanup program under way in Immokalee since the committee hearings were announced.

Rep. Paul Rogers and Gov. Claude Kirk attended the sessions, Rogers because he represents the district and Kirk because he didn't like the witness list. He was angry because Dr. Wilson T. Sowder, head of the State Board of Health, was not called, but one of his nutritionists was.

"I believe we ought to hear from the general," Kirk said, "and not from a corporal."

The tour in the morning covered a number of dismal houses near the heart of Immokalee. Sen. McGovern went through refrigerators as the senators inquired about family diets.

"They don't even know what good nutrition is," McGovern said.

T. Michael Foster, assistant director of the State's Legal Service Program, was the lead witness as the committee met in the Bethune School after lunch.

He said his agency and others had investigated housing and nutrition in Collier County and found significant poverty and significant hunger. "When a little child misses a meal," Foster said, "I consider that significant hunger."

Said Sen. Javits, standing in a muddy yard and shivering from cold, "I think hunger is an issue that is uniquely appealing to the American people. I think we've got a real issue."

Javits said there was no comparison between the slums in New York City and the migrant camps around Immokalee.

"In the slums, they at least have toilets," he said after looking at the community outhouses and outside water spigots in a labor camp.

Rep. Rogers noted an old television set in one house on the tour, (the house had one room, a barn-like door, a privy, no water and got its electricity from an extension cord to the house next door) and said: "We've got to teach them how to handle their money." At a labor camp, McGovern talked to 65-year-old Mrs. George Adderson. She told him she supports a husband and four children on a monthly income of $134, most of it from Social Security.

She said their main diet is beans and peas.

McGovern walked away from Mrs. Adderson's three-room shack shaking his head and saying: "They are not even aware they are poor.

"It's obvious the woman has never known what it is to have a decent standard of life. This is a poverty-stricken family."

As the committee began its tour, Foster reported figures showing that 20 of every 1,000 children born in Collier County die before their first birthday, primarily of hunger and malnutrition.

He said the death rate among non-white children in the county is "an astounding 40.8 deaths per 1,000 births. This is triple the rate for non-whites in Florida."

McGovern's committee, which planned to move to nearby Fort Myers today, has received a cool reception from local farmers and government officials, who resent the investigation as an intrusion into their private affairs.

Kirk offered some support to two county commissioners who found themselves under a whithering examination by Sen. Javits. His support was only that "the senators have the county commissioners at a disadvantage."

Sen. McGovern told the county commissioners, "We have an urgent problem here," if they really considered migrants a federal problem and not a county problem.

Commissioner Ewell Moore said that was how he saw it.

Commission chairman Lester Whitaker agreed with him.

The Florida Field Director for the NAACP, Marvin Davies, told the five senators he once taught in the same school where the hearings were being held.

"At this very school," he said, "I really saw hunger and malnutrition at its very worse. There were white lips on black children, a sure sign of hunger.

"I have seen children whose only verbal sound was heard only at the command for lunch. Too, I have witnessed with the flow of tears, at the same command because there was no money to purchase the school lunch.

"The only continuing sounds that were assured from these children were those of agony, pain and the cry acids in the digestive tract.

"I have also seen brown paper bags opened during the lunch hour to reveal only a cold piece of corn bread or cold biscuit or a small container of molasses. Occasionally there will be a piece of cold pork or fat back or neck bones."

Sen. Allen J. Ellender of Louisiana asked if things had changed since Davies had left the school with the new free lunch program furnished by the U.S.

"Thing are better," Davies said.

(Sen. Ellender was the chief architect of the school lunch program.)

Commissioner Whitaker told the panel that about $7,500 was spent on emergency food in Collier County each year. He said there are about 22,000 workers at the peak of the season.

Sen. Ellender briefly interrogated the assistant director of South Florida Migrant Legal Services Inc. about the validity of his program.

The assistant director, P. Michael Foster, was the lead witness and it was on documentation prepared by him that much of the subquent testimony and interrogation was based.

Foster told Sen. Ellender that the program had been funded for two years at about $800,000 but was going to be running out soon.

Sen. Javits, thanking Foster for "your very dedicated work," asked him how much he made. Foster told him $11,700 and that he had taken a cut in pay to come down to Florida from the U.S. Department of Justice.

Sen. Ellender then dropped his line of questioning. The Migrant Services has been under continuing attack from some Florida officials and particularly from Rep. Rogers.

Davies of the NAACP was almost weeping with anger when he told Rogers—at the conclusion of his testimony for the senators—"I don't feel too good about being here with you today, because I've been fighting your opposition on and off for years. If you've been changed . . . if nothing but that comes out of this today, I'll be glad."

Angry, Rogers said he had worked for a number of activities for migrants "such as migrant help and the housing bill."

"That's for the farmers," Davies said.

"It's for the laborers," Rogers said. He added that if Davies' pinpoint program for relieving migrant problems was founded on information as unreliable as that, he didn't think it was worth much.

Sen. Walter F. Mondale of Minnesota challenged the editor of the weekly Immokalee Bulletin, Stan Wrisley, who was testifying that migrants are shiftless and that welfare or free food would lead them to sitting home all day:

"Do you know anyone who works harder than a migrant laborer? We had a witness here, a man 30 years old with seven children. He's been at it since he was five and crawls all over this country doing piece work. At 45 he'll be burned out.

"Is that four-dollar county welfare payment you offer (per person per week) that much competition to going to work?"

"No, Sir," the editor answered.

"You know," said Sen. Mondale, "There's some suggestion we're defaming this county for coming here for our hearings. But I don't know any worse way to defame the county than to say you have to starve the people to get them to work."

The committee heard that Collier County gets about $40 million annually from its farm crop but feels that migrants are "gypsies, not citizens of the county."

Asked Sen. Javits: "What would you do without them?"

Whitaker said the economy would collapse.

[From the Miami (Fla.) Herald, Mar. 11, 1969]

"HAVEN'T SEEN ANY HUNGER," COLLIER HEALTH CHIEF SAYS

IMMOKALEE.—Here are comments made during the morning tour of this area by the Senate Committee headed by Sen. George McGovern.

Dr. Charles Bradley, Collier County health department head: "If hunger is here, I don't see it. I haven't actually seen any hunger or malnutrition. I have never had anybody tell me they are hungry or are not getting food. If there are any such it would be the preschoolers. The ones in school get free hot breakfasts and lunches.

"If the inadequacy of the medical service could be said to be manifest, it would be that I wish I could practice a bit more medicine. We are short of doctors all over the county but if necessary here we can run people to the Naples Community Hospital emergency room."

Sen. George McGovern: "We are looking for the worst, not the best. I have seen housing like this in my own state. It is true in many states. We need to adjust national priorities to the greater needs, that is one reason I am concerned about the anti-ballistic missile program.

"We have people here who have never had a good diet, which is probably why they are sick a lot."

Sen. Jacob Javits: "We are trying to view the most acute areas of need in every state. We are not viewing the model programs, there are lots of pretty poor housing in New York but the slums of Immokalee are different. They have outhouses. No matter how bad the slums are in New York, they have plumbing.

"I imagine there has been some touching up for our benefit but you can't sweep a whole community under the rug, such as when you have one doctor treating 40 people a day and they have to trek to him.

"We have to touch the conscience of the people. It may take the federal presence and we may not depend on the County Commission but we must see that people don't just eat beans and peas. That's the real issue before the country. It's not an irreconcilable conflict but there is a need and it has got to be met. I hope we really have an issue that will arouse America."

Rep. Paul Rogers: "This is a problem over the nation. We will see what has to be done to improve the lot of the people."

[From the Miami (Fla.) Herald, Mar. 11, 1969]

SENATORS TOUR MIGRANT HOUSING AMID PUSH, SHOVE OF NEWSMEN

(By Tom Morgan)

IMMOKALEE.—The Select Senate Committee on Nutrition and Human Needs got a close look at at migrant labor housing and food problems here Monday on the first day of a two-day tour of Collier and Lee Counties.

The tour was planned by the South Florida Migrant Legal Services, Inc. but not all the itinerary was followed.

Eight stops were planned before lunch, but the tour was shortened after the senators had to fight their way in and out of houses and apartments and stop for frequent questioning along the way.

Nearly 100 newsmen, photographers and TV reporters hustled after the senators with lights, cameras, microphones and recorders. Tempers grew short as microphone cords were fouled or camera views disturbed in efforts to get more detail.

Two TV cameramen clashed briefly at one apartment when one poked his mike boom into the other's field of view.

At another stop, Les Whitaker, Collier County Commission chairman, said he had to argue his way inside over the objections of Sen. Jacob Javits.

"I told him 'let me in, we're the ones being attacked and I have a right to be here,'" Whitaker declared.

Whitaker said that when he pointed out to the Senator "four packages of meat and two half-gallons of milk," in the refrigerator at this house the senator paid no attention and stepped outside to tell the TV cameras "this woman has nothing but beans, potatoes and greens to eat."

Bob Moss of station WNOG, Naples, said at the home of Mrs. Mary Anderson at Cummer's Camp there was a similar incident when he showed Sen. George McGovern "a pile of pork chops in the refrigerator and what looked like chickens in the freezer, but the senator stepped out on the porch and said, 'there is hunger here—this woman has only beans, peas and potatoes to eat.'"

Early in the tour Whitaker flared up at Dan Shore of CBS who insisted he comment on conditions seen in the first two houses while Whitaker insisted he would make a statement during the afternoon hearing.

"All I ask is for you to tell the truth, no matter what you see," Whitaker said, obviously angry, "None of these damn lies that have been put out some places and in some newspapers."

"We're still waiting for your statement," Shore called as Whitaker walked off.

The television cameramen went along with the senators' statements "we're here to see the worst" and refused to picture other subjects. Children were reportedly posed by faucets getting a drink until all the cameramen were satisfied, but another shot was refused that showed a different aspect of the situation.

Rep. Paul Rogers, invited by the Senate committee but left outside at the house stops, picked up camera interest when talking to 12-year-old Tino Anzualdo Jr. who was sitting on a nearly new bicycle. The microphones and cameras quickly swung away when Anzualdo told of free hot breakfasts and lunches in school.

Another television cameraman jeered loudly when Bill Price, president of the First Bank of Immokalee, drove off as the man tried to photograph a tag on Prices car that said "I fight poverty—I work."

"How much do you think you can really learn from this three ring circus?" a Negro reporter asked Sen. Allen J. Ellender, who replied "This is really no circus. It is a very good bi-partisan committee and it is very important that we get things in perspective."

[From the Fort Myers (Fla.) News-Press, Mar. 11, 1969]

SENATORS BRAND IMMOKALEE LABOR QUARTERS "SHOCKING"—KIRK APPEARS, SUPPORTS COLLIER COUNTY OFFICERS

(By Eddie Pertuit)

IMMOKALEE.—U.S. Senate committee investigating "nutrition" and human needs" toured squalid migrant labor quarters here Monday, held a six-hour hearing at which county officials were criticized and defended—and found no person who said he was hungry.

Chairman George McGovern, D-S.D., remarked, however, that malnutrition can occur while a person has a stomach full of the wrong foods.

He explained that the committee came "not to look at the best side of this great state but frankly to look at areas of the most acute need." He termed what he found "simply shocking" and Sen. Jacob K. Javits, R-N.Y., called it "distressing."

Gov. Claude Kirk sat through the hearing and defended the Collier County commissioners in connection with food stamps. They have declined to set up a program for providing free government surplus food to the needy.

SAGGING SHACKS

The tour took in sagging shacks and slum apartment housing. It did not take in the better camps. Sen. Allen Ellender, D-La., after watching camermen of the three major television networks film pictures of hovels, said he hated to see the pictures shown because they were a misrepresentation.

"What we saw was not typical of Florida," said Ellender. "I hope Tuesday we will see a little better side."

LEE COUNTY TOUR

Today the group tours some Lee County houses in the morning and holds a major hearing, similar to the Immokalee hearing, at Southward Village Recreation Center on Edison Avenue at 2 p.m.

Sen. Marlow W. Cook, R-Ky., didn't tour with the rest of the group. He talked Albert Lee, president of the Community Civic Workers of Immokalee, into showing him two camps not on the selected list. They were Brown's Camp and Smith's Camp.

"At Smith's Camp," he said during the testimony of Rodolfo Juarez. "I shook hands with a man who still had wet paint on his hands." There is no rent there, he said, but the camp charges $15 per week for food in the camp kitchen, or $450 per week to feed 30 people.

USUALLY 13

He asked Juarez if it were common to have five people, a man, wife, two teenage daughters and a son, sleeping in the same single room with two beds.

"That's very unusual, sir," Juarez said, "because there is usually sometimes 13."

Javits expressed astonishment at the attitude of the Collier County Commission. Testimony had been entered, and the two commissioners testifying supported it, that if it were not for migrant laborers the $40 million agricultural industry in Collier County would collapse.

Yet, Javits told Kirk, Commissioner Ewell F. Moore and Chairman Lester Whitaker of the commission, "said they had no responsibility for migratory labor."

Whitaker said the county cannot spend money legally on non-residents and the migrants are non-residents. Even the $7,500 budgeted for food for the poor, criticized by McGovern as comparatively picayune, can be spent only on residents, Whitaker told the committee.

FOOD STAMPS TOPIC

A food stamp program was discussed. It was on food stamps that Kirk defended the commissioners. The state has no food stamp program in any county because Congress didn't appropriate enough money to include Florida, he pointed out.

If Congress provides the money the state will implement the program, said Kirk.

"I'm pleased you favor food stamps," said Ellender.

"Don't bind me on that," reported Kirk. "I said we'd implement the program," not that it was favored.

The commissioners favored food stamps. They are issued for use to buy food at a local store. They are issued free or at a set ratio below face value, deepnding on the level of poverty of the user. The storekeeper recovers face value.

SELF-HELP BACKED

The commissioners backed Self Help Housing, Community Action Fund manpower training efforts and other such programs that are not direct "gimmes," Whitaker said.

"These are the programs that are going to correct this," he said.

Javits asked if the county couldn't spend some money on the people who are vital to the $40 million agricultural returns.

"The county," said Whitaker, "does not get any tax out of that $40 million industry."

Kirk told the senators that the migrants "are a Florida problem." The migrants are a human need "and we consider a human need to be the need of Florida," he said.

A 12-state coalition is being formed by governors along the "migrant stream" to close loopholes in the programs for the roving workers," he said. Kirk said he was organizing the "concert."

"What I have achieved here is a modified federalism," he said. "But bringing 12 states together does not mean we are going to secede."

ROGERS ASSAILED

Marvin Davies, field representative for the National Association for the Advancement of Colored People, charged Congressman Paul G. Rogers with blocking programs.

"We have had to fight over your opposition," Davies told Rogers, who was sitting with the senators.

Rogers cited programs he had helped urging Davies to first determine the facts. He agreed that he had opposed some ideas originating with NAACP.

Others testifying included Michael Foster, assistant director of the South Florida Migrant Legal Services; Juarez of the migrant-originated Organized Migrants in Community Action; Albert Lee of the Community Civic Workers of Immokalee; Capt. Harold M. Reece, president of Immokalee Chamber of Commerce; Stan Wrisley, editor of the Immokalee Bulletin; John Murphy, Collier County school superintendent, and the county health officer, Dr. Charles Bradley.

The meeting pointed up a number of programs lauded by both the poverty representatives and the other side. In addition to Self Help Housing and the Community Action Fund development programs, the schools have a free lunch program and a free breakfast program. Murphy said he had never seen a hungry child in the schools. The schools also have a 200-student pre-school program at Bethune School.

The houses and conditions seen on the tour were generally what was expected, Javits said. Even the testimony hadn't brought out anything not already known, he said.

McGovern said he knew somewhat of how the Immokalee residents felt. His own state, South Dakota, has a huge collection of Sioux Indians.

"At least once a year the New York Times does an expose on the Sioux Indians," he said. But it takes "these nudges" to keep progress moving, he added.

"We would hope that rather than be too resentful the people will respond by working together," he said.

Javits said the committee would not condone retribution on anyone who was a witness on the tour or at the school.

"We are not going to forget this," he said.

Sen. Walter F. Mondale, D.-Minn., told the commissioners to pay particular heed not to call the migrant worker a loafer.

"He literally crawls on his belly all over this country," he said, earning at best $3,000 per year with the average income half that.

[From the New York Times, Mar. 11, 1969]

HUNGER TOUR FINDS SQUALOR IN FLORIDA—SENATORS ALSO ENCOUNTER AN INDIGNANT GOVERNOR WHO WASN'T NOTIFIED

(By Marjorie Hunter)

IMMOKALEE, FLA., March 10.—A special Senate committee investigating hunger in America found migrant squalor and a coldly furious Florida Governor waiting for them here today.

Angered by the committee's failure to notify him of a hunger tour in his state, Gov. Claude Kirk flew here from the state capital about noon.

Four Senators—two Democrats and two Republicans—had just spent nearly five hours trooping through squalid labor camps, peeping into nearly empty refrigerators and ducking under clotheslines outside dilapidated shacks that in some places house families of 10 or more.

The sign at the city limits proclaimed "Welcome to Immokalee, New World of Opportunity."

"Simply shocking," Senator George McGovern, Democrat of South Dakota, said later of what he had seen.

JAVITS "DISTRESSED"

And Senator Jacob K. Javits, Republican of New York, termed it "distressing."

Governor Kirk left no doubt that he too was distressed and shocked—that the committee had failed to tell him it was coming to his state.

"I wish my office had been asked so I could have supplied you with information about my previous trips here," the Governor said coldly, as the committee opened afternoon hearings in a crowded school auditorium.

It was the first of a series of field trips in which the McGovern committee plans to investigate hunger and malnutrition across the continent.

By singling out Florida as a starting place, they angered not only Governor Kirk, a Republican, but Democratic county officials here in Collier County, a farming area sometimes described as the watermelon capital of the world.

For years, county officials have thwarted all attempts to bring in Federally aided food programs, such as surplus commodities and food stamps for the poor.

They have argued that such aid would be too costly, that migrant farm laborers might be tempted to settle down here instead of moving North and that the poor might refuse to pick crops if they received free food.

U.S. FOOD AID BLOCKED

"We want to get to the bottom of this," Senator McGovern said. "If the county won't cooperate, maybe we'll have to set up a wholly Federally supported food feeding program."

But there is dissension even within the ranks of his own committee.

Senator Allen J. Ellender, a peppery, 78-year-old Louisiana Democrat, protested today that the committee was touring only the worst areas.

"Why?" he asked. "That's what I want to know, why? This isn't typical of Florida. I've been here many times and I know."

While conceding that "conditions certainly aren't good here," Senator Ellender gestured toward a clump of shacks and said, "The people we talked to here today seemed to be happy. I haven't seen anyone who isn't contented"

He and others had just left a rotting shack where an elderly Negro man and his one-legged wife live with a 6-year-old granddaughter.

"All I need is a new leg," Mrs. Mary Adderson told them. She said that she had plenty to eat, "peas and beans and sometimes a piece of fatback."

The Addersons have an income of $136 a month, from Social Security and Old Age Assistance.

One 19-year-old migrant worker, an unwed mother of four tots was working a sweatshirt emblazoned with "Flower Power" as she opened the door to the touring Senators.

A few weeks earlier she had told antipoverty investigators that she had trouble feeding her family. Today, she said that they "eat well."

Refrigerators at most of the shacks visited today contained little more than fatback, sodden corn bread and plates of cold string beans.

But at one shack, Collier County Commissioner Les Whitaker took Senator McGovern in tow and said, "Come look in this refrigerator." It was jammed with milk and fruit juices and packages of meats and butter and other staples.

A staff investigator for the committee said that just two days before he had found only fatback and cold beans in that refrigerator.

"It's passing strange," Senator McGovern said.

[From the Washington (D.C.) Post, Mar. 11, 1969]

FLORIDA OFFICIALS STUNG BY HILL'S HUNGER PROBE

(By Bruce Galphin)

IMMOKALEE, FLA., March 10.—A Senate committee turned the spotlight on hunger here today, but white officialdom said it still didn't see any.

Florida Gov. Claude Kirk testily accused the committee of ignoring him and refusing to allow the State Health Department director to testify.

The chairman of the County Commission angrily interrupted a network television filming session to accuse newsmen of misrepresenting conditions in Collier County.

But other witnesses appearing before the Select Committee on Nutrition and Human Needs offered statistics showing the substantial nutritional and related health needs. And the Senators, in a 3½-hour whirlwind tour this morning, saw that housing is also a severe problem.

Kentucky's freshman Sen. Marlow Cook broke off from the main tour to make unannounced visits to migrant worker camps, and expressed shock at what he had seen.

He said he found "showers" that were no more than spigots "about two feet off the ground" and other housing conditions that couldnt pass urban code inspections.

At one camp, he said, "I shook hands with a man with wet paint on his hand." This was one of several references made during the hearings to last-minute sprucing up in Immokalee.

Sen. George McGovern (D-S.D.), chairman of the Committee, told a standing-room-only audience at the Bethune School here that he was "not singling out Florida . . . I suspect that in my own State, we will see problems of hunger and housing that are worse than those here."

Sen. Jacob Javits (R-N.Y.) remarked earlier in the day that he believed the Nation is on the edge of a breakthrough against hunger. "I think this is at last going to spark the conscience of America," he said.

During today's hearings, the hardest data on malnutrition came from T. Michael Foster, assistant director of the South Florida Migrant Legal Services Program.

He said the Florida Board of Health had investigated Immokalee a year ago and concluded ". . . there is no evidence of severe malnutrition or serious incidence in the migrant population."

But, said Foster, the Citizen's Board of Inquiry in its report "Hunger U.S.A." listed Collier County as one with a serious hunger problem.

Nearly 30 per cent of the families in Collier County have incomes under $3000, Foster reported, and that does not include the migrant workers who nearly double the County's population in certain seasons.

Foster contended that the high disease rate among migrants in Collier County was circumstantial evidence of malnutrition.

Among children one month to one year in age, he said, the death rate is three times the national average. Among nonwhites, he continued, the rate is more than six times the national average.

A survey of 23 Collier County farmworkers' children, selected at random, was made at Miami's Variety Children's Hospital. Foster reported. It found 38 clinical diseases among the 23 children, including anemia, respiratory infection and pneumonia. Hospital director Gerard W. Frawley, called it "a most extraordinary morbidity rate."

The State Board of Health's own study showed Collier County has one of Florida's highest rates of incidence of new active cases of tuberculosis.

Gov. Kirk, who stayed throughout the hearing said he "regretted" that the Committee had not checked with his office about data he said he already had on Collier County. And he said the Committee called a State Health Department nutritional officer while refusing to allow the director, Dr. Wilson Sowder, to testify. "I like to get the generals, not the corporals," the Governor said.

Kirk added later, however, "If there's any way we can help uplift them (migrant workers), we want to. We want them to grow and prosper with us. I think we too often make "good" the enemy of 'better'."

A Committee spokesman said the panel had been in contact with Kirk's office and understood Dr. Sowder was satisfied with the testimony arrangement.

The flareup between the County Commission chairman, Lester Whitaker, and a CBS-TV newsman occurred during the morning tour of poverty areas. Whitaker interrupted while newsmen were recording introductory remarks, accusing them of lying about Collier County. When he was invited to state his own side on camera, Whitaker said newsmen would only "slant" his remarks, and stalked away.

Chamber of Commerce President Harold M. Reece, who had argued that people would not work if they had free food, said that if there were any food program at all, it should be administered by the Farm Labor Bureau, so that workers refusing jobs would be ineligible for food distribution.

[From the Miami (Fla.) Herald, Mar. 12, 1969]

LASHES OUT IN RADIO TALK: WHITAKER, "COMMITTEE IDEAS PRECONCEIVED"

(By Tom Morgan)

NAPLES.—County Commission Chairman Les Whitaker said in a radio interview on Tuesday night that the Senate committee investigating hunger in Immokalee was a three-ring circus that came with preconceived ideas and views the Collier County Commission as criminals.

"We knew we had three strikes on us," Whitaker said. "We had Sen. McGovern, an ultra liberal, Sen. Javits, who in my thinking is a Socialist, and Sen. Mondale who I understand was hand picked by Hubert Humphrey.

"We can expect what the results of the investigation will be. It could have been written before they came except for a few details. They were evidently trying to justify their existence and their trip to Florida."

Whitaker admitted he himself had been distracted "and didn't act in a very adult way" in at least one television interview, but that he objected to the disagreeable treatment by news and television reporters.

"When I saw what they were doing, I couldn't contain myself," he said. "Every network had a representative, every news service. It was as many as the Coppolino trial but they were a more avid and rabid gang.

"Some of the people interviewed admitted later they had been schooled in what to say."

Whitaker said that he spoke to Dan Shore, CBS commentator, when he heard him say the County Commission had done everything in its power to keep the committee from coming to Immokalee.

"I told him," the chairman said, "I'm sick and tired of this kind of reporting. When he asked for 'my side' I replied, 'You'd cut and edit and twist it every way—you can hear me at the hearing.' "

Whitaker said the South Florida Migrant Legal Services "probably set up the whole thing because their funds are being cut off, although I understand the Robert Kennedy Foundation is try to get them reinstated."

He had one bit of praise for the OEO-financed Migrant Legal Service: "Their report was a little closer to the truth than what they have said in the past—they even had one figure right, but it still was practically all wrong."

Whitaker repeated the County Commission claim of last year "that when it offered jobs to 100 welfare seekers it could only get five takers," and said, "I made a survey on the tour and saw at least 100 apparently able bodied men standing around doing nothing."

Bob Moss, WNOG reporter who accompanied the tour, said he had shown Sen. McGovern "stacks of pork chops and five or six whole chickens in a refrigerator and the senator went out and said 'here is hunger, this woman has nothing to eat but greens and grits.' "

Witaker said he had a similar experience with Sen. Javits and a young woman with four illegitimate children. He said she pleaded poverty but under his questioning admitted she had two major operations at county expense and had received county food orders.

"The senator wouldn't listen or pay attention to the four packages of meat I showed him in the refrigerator," Whitaker concluded.

[From the Miami (Fla.) Herald, Mar. 12, 1969]

PEOPLE HERE AFRAID

FORT MYERS.—"I'm surprised at the large numbers of people here who tell you they don't have enough food, but who are not participating in the commodity program," Sen. George McGovern said Tuesday.

McGovern, chairman of the select Senate Committee on Nutrition and Human Needs, went on to describe his reactions to the committee's Tuesday morning tour of Fort Myers poverty areas.

"I had thought from what I had been told that they were taking care of a considerable number of people here through the free food program.

"I find that they are not; that people don't know about it and others who do are afraid to apply in many cases because of the kind of harsh conduct of the man running the program (County Welfare Director Robert Craft) so it is not as effective a program here as I had expected to find.

"This project (the FHA rent supplement Sable Palms apartment project) is very encouraging. You can just see the pride on the part of these people when we asked them about the housing here that obviously is a great improvement over the type of thing they had been accustomed to."

McGovern said, "I think probably the worst single thing we saw was that garage over there in Immokalee where the one family was living next door to this other one. But other than that one unit, there were several that we saw today that seemed to be somewhat worse than what we saw in Immokalee."

[From the Miami (Fla.) Herald, Mar. 12, 1969]

I DON'T LIKE TO GO BEGGING, I NEED FOOD BAD AS ANYBODY

FORT MYERS.—Most of a typical interview with one of the people living in the poverty areas of Fort Myers is given below. The primary difference between this woman and others interviewed is that she gets commodity foods.

Asking questions of Mrs. Clandar Mae Smith were the senators on the Select Committee on Nutrition and Human Needs and several reporters.

The following discussion took place in Mrs. Smith's kitchen after Mrs. Smith had shown the group making the Tuesday morning poverty study a box of commodity foods she had received and discussed the taste and nutritional value of the foods with the committee.

(Q. represents various individuals and A. represents the answers of Mrs. Smith.)

Q. We talked to a couple of ladies earlier today who said they were afraid to go down there (County Welfare Director Robert Craft's office) because they turn them down.

A. Oh, they did turn me down couple times. . . . . everytime I go now I take somebody with me so I don't have no arguments."

Q. What kind of arguments did you get at first?

A. Well, he said I didn't need anything. Now, after awhile, I said I need it as bad as anybody else that don't have nobody working. My husband was dead and I needed something to eat. It was summertime and I didn't have no work.

Q. Why are you people afraid? I don't understand. Why are they afraid to go down there and at least ask for it?

A. Well sometimes you just don't get the satisfaction. If you're like me I just don't want to go down there to an argument and begging because I get mad just like they do. My patience is very short too . . . And that's the reason I carry somebody with me to see that I get it. Because I needed it but yet still, he knows you need it, but he's just that crabby.

Q. Does he want to prove that you don't have enough income, is that why they are worried?

A. Well, sometimes it makes no difference with Mr. Crab.

Q. What did you call him?

A. Crab.

Q. What's his name?

A. I don't know.

Q. How long have you been here, Mrs. Smith?

A. I been here 12 years.

Q. How much do you pay on this property?

A. This house here? Oh, $9. . . .

Q. Nine dollars a week?

A. Yes.

Q. Do you pay your own electric bill, water bill and gas bill?

A. Yes. But I don't have no gas and water now because I wouldn't give them no money and they cut my gas and water off.

Q. You don't have any water at all?

A. No . . . (A discussion followed in which she said they were cut off because she owed 25 cents more than the $20 deposit. She said her income is about $40 a month and she uses water at the homes of her neighbors.)

Q. Who do you take down there with you when you want to get the food?

A. (Mrs. Smith said she takes one of the people from the South Florida Migrant Legal Services.) . . . My doctor said it's time for me to get some food. So he said I'll have to make out an application. She say, well can't she make it out now and let her have food today. He say yah I can do that. And so he say well I know her cause she has been here before. That's what he told her. So after that, every time it's time to sign up I get somebody to go with me . . .

Q. Did you ever complain about that step out front?

A. Sure . . .

Q. How long has that been torn up like that?

A. Been torn up now a good while.

Q. Somebody's going to get hurt on that step.

A. I know . . .

Q. Who is the landlord here?

A. L. M. Dixon.

Q. Is he a white man?

A. No.

Q. Colored man?

A. Yes . . .

Q. What's your age?

A. I'll be 63 in October . . .

Q. When you work, where do you work, Mrs. Smith?

A. I worked on a farm, but I need glasses and I can't see how to work and so I need glasses and my stocking worse than I need anything in the world right now. (She explained the stocking was an elastic stocking for her bad leg.)

Q. How long ago did they promise it to you?

A. It's been more than a month now . . . They haven't said nothing about my glasses and I can't see nothing.

Q. Have you been examined for glasses?

A. Yes sir. I want glasses. But my other ones, I had em about seven years and they wore out. They broke.

Q. Who examined your glasses?

A. County clinic down on Anderson. I got some papers to fill out. I filled em out and sent em back, but I haven't heard from them . . . I wish they would hurry up and get then before I go stone blind trying to see. You see when I'm looking at anything I have to look close to tell what it is . . . Eyes, that's my trouble. If it I had my stocking and my glasses I could do a little work.

(She said she really wanted to work so she could get her water and gas back on. Mrs. Smith also said she would like to get a better house. It was pointed out by one of the senators that it would take half her month's Social Security just to get the water and gas back on. Mrs. Smith said people are afraid to go to the welfare director because he yells at them and will not give them anything unless they take somebody along with them.)

[From the Miami (Fla.) Herald, Mar. 12, 1969]

SENATORS SEE LEE SQUALOR

(By Matt Taylor)

FORT MYERS.—Working their way through weeds, garbage and rotting houses, members of a Senate committee had a confrontation with a landlord Tuesday and finally saw "a stunning example of what federal help can do."

The stunning example was at Sabal Palms, an apartment complex with federal rent supplements.

"Why they're living like human beings here," said Sen. George McGovern of South Dakota, chairman of the Senate's Select Committee for Hunger and Human Needs.

McGovern had just come from another squalid housing settlement for Negro farm workers in Fort Myers. There he had encountered people totally ignorant of the fact that federal food was available to them when they were in need.

Sen. Walter Mondale of Minnesota joined McGovern in quizzing Robert Reilly, who owns about 20 houses in the area.

Reilly had been criticizing the senators and newsmen who were interviewing a number of his tenants.

"They like it like this," Reilly told Mondale. "You act like I make my living out of these people."

Mondale asked him how he did make his living. Reilly said, he used to have a warehouse and "just ask them how it burned down."

(Reilly's warehouse burned down shortly after the funeral of the Rev. Martin Luther King Jr. Some townspeople feel that because Reilly did not close down for the day of the funeral he "was burned down." Four persons were quizzed in connection with the fire, but the verdict was innocent.)

Walking through the houses, the senators found cold, drafty rooms, leaking roofs, broken steps and sagging floors. People told them that they were getting commodity foods and making do.

"Out of that house," Reilly told the senators, pointing to one they had just left, "I get $500 a year . . . maybe . . . if they pay the rent every week and the insurance man don't get there first."

He asked Mondale, "How much can you put in a place like that?" He was asked if he was losing money. Reilly would not give a direct answer.

Sen. Allen J. Ellender, of Louisiana, courted by county officials who hope the senators would go easy in their report of conditions, said he had seen what he had expected.

"These conditions exist everywhere, all over America," he said. The senator added that he had seen clear evidence in both Collier and Lee counties that more federal help was needed. He made it very clear that Collier County, which he visited Monday, "needs a food program. We've got to do something."

An old lady running a day care center almost got in trouble by the visit. Mrs. Mary Green operates the center for seven children whose mothers work during the day.

Health inspectors accompanying the senators took one look at Mrs. Green's operation and said they might have to close her down for operating a below-standard facility.

But the health director came right along behind them and ordered that they work with her to bring the center up to standard.

Sen. Jacob Javits of New York has promised his own intervention if anyone threatens or harms in any way anyone who has testified before the committee.

The committee took testimony Monday in Immokalee and found there was a great need for a food program there.

[From the St. Petersburg (Fla.) Times, Mar. 12, 1969]

A POVERTY THAT CONFOUNDS THE NOTION OF DEMOCRACY

When the U.S. Senate investigating team currently in Immokalee ends its inspection of poverty in America, it will return to Washington to face the realities of public policy.

The truth is that American public policy has a hard time dealing with the existence of hunger, illiteracy and all the other earmarks of hopeless poverty in this rich nation.

It is embarrassingly simple to approve a $2-million federal purchase of grapefruit juice for the needy, because it satisfies a powerful agricultural lobby. Such a purchase—751,000 cases, or one tenth of an average year's pack—was announced last week, and the announcement caused not a ripple.

But let someone suggest raising the maximum income level for participation in the new federal free food program in South Carolina—raising it above the current maximum of $30 income per month for a family of four—and the processes of public policy freeze.

It's easy to buy grapefruit juice for the needy, but it's hard to increase the number who can receive it. The difference can be expressed in terms of political power—or lack of it.

That's the dynamic in Collier County too. Public policy can tolerate the exploitation of migrant labor in order to protect a $40-million truck crop economy, but it cannot abide the expenditure of $50,000 per year to participate in federal food programs that would feed hungry migrants.

County commissioners explained that the $7,500 local poverty-fighting budget was for "residents" only. (For residents substitute "voters.") Sadly, the migrants are resident only long enough to rescue the county economy each year.

The team of visiting senators was careful to point out that Immokalee, or even the state of Florida, is not unique. There is poverty in every corner of America.

But the migrant's special burden is a rootless, nomadic, purposefully exploitative kind of poverty—a perpetual flight from disaster. It is a kind of poverty that warps children and paralyzes the humanity of their parents.

The proposed solutions all suffer the same realities of public policy. The tendency is to inject into every program an "incentive for self-help"—whether such an incentive is relevant or not.

But what kind of ethic is it that places more emphasis on self help than on feeding the starving and the malnourished, than on clothing those who live in rags, than on housing those who live in shacks that have no toilets, than on stabilizing the lives of a rootless tribe of the American poor, than on ending the exploitation of humanity for the sake of harvesting vegetables?

The pitiless poverty of the migrant is one case in which incentives are not immediately relevant.

Massive expenditures must be made to raise these and other desperately poor to a level of human existence that does not confound the simplest notions of democracy.

[From the St. Petersburg (Fla.) Times, Mar. 12, 1969]

FOOD STAMP PLAN OKAYED BY CABINET

TALLAHASSEE.—A plan to let poor people buy more than their money's worth of food was approved yesterday by the Florida Cabinet.

Without discussion, the Cabinet agreed to submit an application to the federal government to start the food stamp program.

State Welfare Director Emmet Roberts said Monday that, under the program, a family of four with an income of $80 to $100 per month could buy up to $40 worth of federal food stamps which could be exchanged for $70 worth of food.

The Florida Legislature approved the program in 1965, Roberts said, but state and federal officials have not been able to agree on wording of the plan until now.

The stamps would only be good for foods not available under the surplus commodities program, such as fresh milk, eggs or vegetables, he said, and they could not be used for luxury items like beer or cigarettes.

Roberts said the federal government would pay the difference between the cost of the stamps and the cost of the food.

Dade and Orange Counties have already requested the program and, with Cabinet approval, should get federal authorization immediately, Roberts said.

[From the Fort Myers (Fla.) News-Press, Mar. 12, 1969]

COLLIER BOARD MEMBERS IRKED AT INVESTIGATION

(By Fred Winter)

NAPLES.—Collier County Commissioner Chairman Les Whitaker told the commissioners Tuesday, "I'm still suffering from my battle wounds yesterday."

Whitaker referred to the Immokalee investigation Monday of the U.S. Select Committee on Nutrition and Human Needs.

Other commissioners also had remarks about the visit.

After hearing a division of corrections report that a prisoner in the Immokalee Jail needed to have a cyst removed from his throat, Commissioner Ewell Moore said "We'll have to provide an operation."

"Whether they're hungry or not," Whitaker said, "we'll have to also see they get recreation and work programs."

The corrections report, which generally praised the new branch county jail, noted the lack of recreation and rehabilitation programs.

"I'm just repeating what one of our distinguished senators said over there," added Whitaker.

"Ellender (Louisiana Sen. Allen) was the only one willing to see both sides," said Moore.

When Health Officer Dr. Charles Bradley and social worker Mrs. Hazel Griffin brought in no welfare claims, Whitaker said, "This doesn't jibe with yesterday" and testimony migrants suffer from lack of food and from insufficient housing facilities.

Mrs. Griffin explained the usual week's cases had not been written up.

Dr. Bradley, whom commissioners praised because he fought off an attack of pneumonia long enough to appear before the Senate committee late Monday afternoon before entering Naples Hospital, was still in the hospital Tuesday.

"We should commend him," said Moore, "for sitting there all day with pneumonia while he waited to testify."

"We should pass a resolution backing him up 100 per cent in all future recommendations," added Commissioner Cliff Wenzel. "I wouldn't want to go that far," said Commissioner A. C. Hancock.

The "backing up" suggestion came after Whitaker told the board the Health Department had reported a labor camp in the Immokalee area which had failed to get a building permit before construction.

"You cannot keep employes," said Whitaker, "if you don't back them up."

[From the New York Times, Mar. 12, 1969]

SENATORS HEAR POOR IN FLORIDA—MIGRANTS TELL OF LAG IN U.S. FREE FOOD PROGRAMS

(By Marjorie Hunter)

FORT MYERS, FLA. March 11.—Many of the poor of this coastal city told United States Senators today they were afraid to seek free Government food from the man they call "Mr. Crab."

That is their name for Robert Craft, director of the Lee County Welfare Department, the man who decides who gets free "Government commodities."

The commodities—beans and flour and other staples—do not make for exotic meals, but they are nutritious. And it was obvious to five Senators as they toured the slums here today that many of the families not now getting free food needed it badly.

"Mr. Crab, he snap at us, and I snap right back," Mrs. Clander Mae Smith told members of the Senate Committee on Nutrition and Human Needs.

Mrs. Smith is an exception. Others said they were so afraid of the welfare director that they had not sought the commodities. Some said they had stopped asking for the free food because "Mr. Crab insults us" and "Mr. Crab makes us feel like nobodies." And still others said they were unaware there was free food available.

"There is certainly something wrong," Senator George McGovern, chairman of the committee, said as he walked away from a rotting shack where a mother of 10 children had told him she had to send her children to school hungry.

Meanwhile, Senator McGovern disclosed today that the Federal Office of Economic Opportunity had agreed to underwrite the cost of a free commodities program for neighboring Collier County.

Yesterday, the Senators toured the town of Immokalee and other parts of Collier County and found widespread squalor among the migrants who pick the beans and truck crops before heading North each year.

Contending that the migrants were "Federal people" and not their responsibility, Collier County officials have refused to set up any of the Federally supported food programs, commodities or food stamps.

Furthermore, the Collier officials argued, the cost of administering distribution of the food would be prohibitive.

Senator McGovern said the Office of Econonmic Opportunity would underwrite the cost of distribution if the Department of Agriculture would provide free commodities.

In the past, the Department of Agriculture generally has required that the distribution cost be financed locally.

But even as they learned that there now seems a good chance that the migrants and other poor of Immokalee may get free commodities, the touring Senators were discovering that a free food program did not reach all the poor.

Lee County, which describes itself as "the flour capital of the world," has had the commodities program for several years. The county officials testified today that they were happy with it.

[From the Washington (D.C.) Post, Mar. 12, 1969]

MCGOVERN EXPRESSES SHOCK AT FLORIDA POVERTY

(By Bruce Galphin)

FORT MYERS, FLA., March 11.—At the conclusion of a field trip into Southwest Florida today, Sen. George McGovern (D-S.D.) expressed shock at the living conditions of the poor there and said America must do better about the problem of hunger.

"We have seen diet and living conditions these past two days that one might expect to find in Asia, not in America," the chairman of the Senate Select Committee on Nutrition and Human Aid said.

"Most of the cattle and hogs in America are better fed and sheltered than the families we have visited (in Collier and Lee counties)," he said.

"A country that is powerful enough to rocket men to the moon should be able to feed its own hungry people."

McGovern earlier had described as intolerable the administration of programs to help the poor in Florida.

In Immokalee, Fla., yesterday the Select Committee on Nutrition and Human Need was confronted with a county government that refused to participate in free food distribution. Here in Lee County, there is a food program, but it is not reaching all the needy.

The local director of commodity food distribution, Robert Craft, was the target of a barrage of criticism from the poor, who accused him of such humiliating treatment that many needy persons were afraid to seek free food.

A $4 TAXI FARE

Repeatedly, during a 3½-hour tour of run-down shacks in the Fort Myers area, the committee heard Welfare Director Craft referred to as Mr. Crab."

The Senators were told that in this city, without a public transit system, it cost an average of $4 round trip for free food recipients to collect their allotments by taxi.

They also were surprised to discover the number of obviously under-fed people who said they didn't know about the free food program.

More than 700 families are on public assistance in Lee County and automatically are eligible for commodity food, yet only 450 are getting it.

"There is no evidence of outreach at all," Sen. Walter Mondale (D-Minn.) said.

"I was surprised to see so much hunger," Sen. Allen Ellender (D-La.) commented. He urged use of existing agencies, such as agriculture and health departments, to bring immediate relief.

Again and again the poor people's complaint centered on "Mr. Crab."

"He talks to a man just like he talks to a dog," said Clifford Stewart, an elderly man who said he had refused free food even though his income was only $65 a month. I thought he was buying it the way he was talking about it," Steward said.

(The Federal Government pays for the food commodity. The county pays for its distribution.)

"If you're like me," 62-year-old Mrs. Clander Mae Smith told the Senators when they visited her waterless, fuelless shack, "you don't like to argue and beg. I get mad like he (Craft) does.

Mrs. Smith finally is getting commodity foods after receiving help from the South Florida Migrant Legal Service Program.

A $12-A-WEEK SHACK

Mrs. Altames Jackson, her husband and eight children live in a $12-a-week rental shack. She said she hadn't tried to get the free food because of the bad experiences neighbors have had in applying for the program.

Reuben S. Mitchell, regional director of Community Action Migrant Program, Inc., said many of the poor "feared to protest or to challenge—for they fear retaliation." He said Craft was "a director who is without compassion for the poor, who is humiliating, and insulting."

Craft denied that "any client of ours has been treated with abusive language," the County Commission Chairman Julian Hudson remarked that "sometimes a 'no' is considered an insult."

Craft insisted that he simply was adhering to the rules layed down by the Florida Welfare Department.

McGovern disputed him. Reading from a Welfare Department handbook, the Senator said there were several ways of verifying an applicant's need, and Craft was using only one of them.

[From the Fort Myers (Fla.) News-Press, Mar. 12, 1969]

INVESTIGATE SENATORS

EDITOR, NEWS-PRESS:

The investigating senator panel who investigated poverty in Immokalee travel on a big fat salary with a per diem expense voucher, enjoying the nice Florida sunshine at the taxpayers' expense.

They are not proving or disproving anything. Their sales pitch was the further distribution of government food stamps, free to the receiver, also at the taxpayers' expense.

When a family travels to several different locations each year because they have chosen that way of life and the liberal freedoms that go with it for the purpose of making an independent living without the responsibility, in many cases, of marriage, taxes, withholding and Social Security, being paid from day to day instead of by the week or month, and a group of young inexperienced lawyers who call themselves the Migrant Legal Aid Society wants to get their greedy hands into a basket of the taxpayer's money under the auspices of do-gooders at the taxpayers' expense and forgetfully pushing in where they aren't wanted or needed, and I might add, their funds are running out next month unless they can create enough stink and public opinion for another appropriation.

I appreciate the manner in which Gov. Kirk represented our state, telling one of the senators that he was down here for a hearing and not to make a speech, and I believe that all the people who are creating this rabble-rousing unnecessary atmosphere, they should be investigated as to their background and their possible loyalty to the good old U.S.A. and I quote the Bible which states, "The poor ye shall have with you always." There is no political body going to disprove one prophecy in the Bible.

JOE P. BROWN.

Immokalee.

[From the Fort Myers (Fla.) News-Press Mar. 13, 1969]

KIRK PROPOSES NATIONAL GROUP ASSIST MIGRANTS—SUGGESTS SENATORS STOP TALKING AND DO SOMETHING

TALLAHASSEE.—Gov. Claude Kirk, suggesting that members of a U.S. Senate committee stop talking and start doing something, proposed Wednesday formation of a far-reaching national council to solve the problems of migrant laborers.

He said mobile migrant centers should be set up to follow season workers from state to state.

PUBLICITY GIMMICKS

"We are all growing tired of seeing the poor among us used as pawns in political publicity gimmicks," Kirk said in a communication to the committee headed by Sen. George McGovern, D-S.D. "There has been altogether too much talk and not enough action at all levels of government."

The proposal was made in the aftermath of hearings in Immokalee and Fort Myers by the Senate Select Committee on Nutrition and Human Needs. Kirk attended both days and revealed part of his plan on Tuesday.

McGovern said he found conditions in Florida "that one might expect to find in Asia, not America."

HOGS BETTER FED

"Most of the cattle and hogs in America are better fed and sheltered than the families we visited in these two counties," the senator said.

Kirk said "the first order of business" to help the migrants should be coordination at the federal level.

A national coordinating council on migratory farm labor services should be created by executive order by President Nixon to coordinate the efforts of at least seven cabinet-level agencies, the governor said. He said the Department of Health, Education and Welfare should head it.

Since the migrants are always moving, Kirk said, the federal government should use trailers to "provide mobile one-stop service for migrant family needs."

He said state agencies concerned with migrants should be coordinated through the mobile centers. Federal surplus food and food stamp programs should also be handled through the traveling centers, he said.

MOBILE CENTERS

One of the mobile centers should be established for every 5,000 migrants, the Florida chief executive said. Each center should have a broadly based local advisory group.

He said the U.S. Department of Housing and Urban Development should set up a program to help seasonal workers purchase mobile homes through FHA-type financing.

"The committee came to Florida and it saw and it listened," Kirk said. "The committee will go to another community and another and another and will see more and listen to more—then what?

BRIGHT YOUNG AIDES

"Then some bright young aides will write up a committee report and perhaps by the end of the year there will be some legislation introduced for more direct commodity support or more food stamps and the matter will be forgotten and the same people will still be hungry."

He said shoveling more food into the migrant camps will not solve the problem of hunger. There must also be education from health officials about nutrition, health care and help in obtaining proper housing.

"We must develop a comprehensive delivery system to do the complete job," Kirk told the committee.

[From the Miami (Fla.) Herald, Mar. 13, 1969]

HUNGER AND FLORIDA'S "PRIDE"

Conditions under which the migrant workers live in the farm camps of South Florida are predictable, as we said earlier this week on the eve of the federal investigation in Collier and Lee counties.

The message of the Sermon on the Mount is also predictable, but it needs repeating to gain and keep the attention of those who would forget that they are their brother's keeper.

Sen. George McGovern's Committee on Hunger and Human Needs found both in startling quantity. The pride of local politicians has been hurt and there are complaints that the senators came to Florida looking for hungry people and paid no attention to all the good things of life not in short supply.

But county programs ignore and reject federal assistance. The Senate committee found that Lee County is using only about 10 per cent of the commodities it should be using. That means 90 per cent of the people who need help are not getting it. And Lee County is doing a better job than Collier, where a majority of the farm workers are now living.

The director of Florida's school lunch program told the senators that she estimates 58,000 children in the state go to school without breakfast. And teachers know that many children can't pay attention to their morning lessons because their minds are on the free lunch they know is coming.

As several of the senators acknowledged, the conditions found in South Florida also exist in the labor camps of Georgia, North Carolina and many Northern areas.

But South Florida is where the crops grow this time of year and this is where the migrant workers are. If the senators were to document medical testimony of hunger in America this is where they had to come at this time.

That documentation is necessary for the enactment of effective programs. There was no intention of branding Florida as a place of special cruelty. We regret that Rep. Paul Rogers, who represents the farming counties, continues to talk about minor nutrition problems.

The forthcoming Senate report doubtless will put such bland talk beyond understanding.

[From the New York Times, Mar. 16, 1969]

HUNGER: WHY DOES IT EXIST AMIDST PLENTY?

After weeks of hearings in Washington at which nutritional experts testified to the paradox of hunger in a land fat with agricultural surpluses, members of the Senate Select Committee on Nutrition and Human Needs toured migrant labor camps in Florida's Collier and Lee counties last week. They looked for hunger and found it. They also found rust, rot, the stench of abject poverty and appalling human suffering along with belligerent local officials who considered these conditions none of their business.

"They're not Collier County people," said one of the officials, referring to the migrant farm workers who spend most of their time helping that county reap $40 million annually from its farm operations. "They're Federal people."

The select committe on its first field trip discovered that Federal programs aimed at helping provide the poor with adequate diets may not reach them at all. Intervening levels of government can erect barricades.

Florida is one of seven states that does not participate in the Federal food stamp program and Collier County is one of several hundred across the nation that has not been willing to shoulder the usually modest costs of administering a surplus commodity distribution program.

The food stamp program is designed to stretch the food dollars of the very poor. The poor buy stamps for small amounts which can be redeemed at grocery stores for larger amounts. They may pay $40 for $60 worth of stamps.

The surplus commodity program offers certain commodities—mostly vegetables—free to eligible families. The foods are purchased by the Department of Agriculture from those that tend to be in surplus. The program is linked to the farm price support program.

In Collier County the Senators visited Combers Camp, a depressing collection of windowless, bare-board shacks sitting on the flat, sandy land. They met Miss Rosalee Bryant, 18 years old, unmarried, mother of four, who lives with her children in a concrete and tin apartment project, in a small, 10-by-15 room. Miss Bryant used to travel north to Virginia and Pennsylvania picking tomatoes and other crops and she still goes to the fields in Collier County when she can find someone to keep her children. It is difficult, she says. Her badly deformed retarded three-year-old son requires special attention. "We have enough food to eat now," she told visitors. "We didn't have last summer though. It was rough then.'

The touring Senators heard Rodolfo Juarez, a representative of Organized Migrants in Community Action, tell about the abuse migrants suffer, the poverty they endure and the benefits of Federal and state welfare laws they are denied. Senator Marlow W. Cook, Republican of Kentucky, toured migrant camps not on the official schedule and reported finding as many as five or six in a family living in windowless shacks as small as 8-by-10 feet.

"Is this unusual?" he asked Mr. Juarez.

"Very unusual," the migrant replied. "Usually, sometimes thirteen."

The Senators heard children report having coffee and grits for breakfast and nothing else and other children report having no breakfast at all. They saw children with cold-encrusted noses, sores on their feet from playing in lots strewn with broken glass and boards with protruding nails. They saw one little girl with legs so badly bowed that she could hardly walk.

Collier County officials flatly denied that any real hunger exists—"Maybe just a little and a little malnutrition"—and they cited a special state survey of its health departments as confirmation of their views. Outside groups have reported wholly different findings. The Citizen's Board of Inquiry Into Hunger and Malnutrition in the United States, a group that helped spark formation of the select Senate committee, found in 1967 that there was clear evidence of "poverty, poor nutrition and parasitic disease."

Despite all this, Collier County does not operate any food program for poor families. Neighboring Lee County, where the statistics are only a little better, operates a commodity distribution program but the touring Senators discovered that it reaches only a small percentage of those eligible for it.

Senator Jacob Javits, like his touring colleagues, was struck by conditions in the two counties and by their failure to bring the benefits of Federal programs to those needing them. When Florida Gov. Claude Kirk appeared at the hearings to insist on a continuing role for the states, Mr. Javits warned: "We want to give the state every opportunity but not to allow the thing not to be done." He cautioned that the Federal government would have to do the job, as it has begun to do it in two impoverished South Carolina counties by offering free food stamps to the most needy, if the states and the localities do not do it.

The Florida state cabinet voted while the tour was in progress to permit its counties to participate in the Federal food stamp plan. The Office of Economic Opportunity announced that it would authorize one of its local agencies to administer a surplus food distribution program in Collier County, even over the protests of local officials, if the Department of Agriculture would supply the food. Senator George McGovern, chairman of the select committee, intends to pursue the offer with Agriculture Secretary Clifford Hardin.

JOHN A. HAMILTON.

[From the Washington (D.C.) Post, Mar. 16, 1969]

SENATORS FIND FOOD ALONE WON'T SOLVE MISERY OF POOR

(By Bruce Galphin)

FORT MYERS, FLA.—Until now people have been calling it the "hunger committee." But after their first field trip last week in southwest Florida, members of the Senate Select Committee on Nutrition and Human Needs were paying increased attention to the second part of the title.

For they found heart-rending evidence that hunger is inseparable from a whole tangle of human problems.

The search for hunger led to a circular trail of squalid housing, lack of sanitation, bad health, poor education and limited job opportunities.

The senators found that children may receive free breakfasts and lunches and still stay sick because of home conditions.

They talked, for instance, to Eloisa Martinez, a Mexican-American who lives with her husband and eight children in a sagging frame shack. Six of the children get free meals at school, but they come home to a hovel with no plumbing and with dirty bedding on the floor.

Mrs. Martinez' 15-year-old daughter was home from school sick. She is still in the sixth grade. Grinning nervously, she said she was so far behind because she is sick a lot.

COFFEE INSTEAD OF MILK

There are health clinics for the poor, but they are frequently ill. There are classes in nutrition, but as Sen. Marlow Cook (R-Ky.) remarked, "what good would it do for them to come into your nutrition clinic if they don't have food?"

The committee had talked to children under the age of 6 who regularly drank coffee instead of milk. They heard mothers tell of not having enough food to give their children breakfast.

They learned the poor typically eat a "white diet" high on starches and low on proteins, except beans and peas.

The senators heard and saw evidence that the poor of Collier and Lee counties were far more prone to disease than the average population. Malnutrition, they were told, is a contributing factor.

Sanitation and heating obviously are problems, too. In the shacks the senators visited, portable kerosene stoves are the typical sources of heat. Housefires are frequent.

The senators rarely saw properly functioning indoor plumbing. One woman had no running water because her water bill ran 25 cents over her $20 deposit. Several of those visited used toilet facilities of neighbors. Communal outhouses were common.

And the senators learned to their dismay that Congress can enact food distribution plans, but hasn't been able to guarantee the neediest will receive the help.

None of Florida's counties distribute food stamps. However, the State Cabinet agreed on Tuesday to apply for the program.

Some counties do participate in the commodities or "surplus" food program under which the U.S. Department of Agriculture provides free packages of basic food items and the counties bear the costs of distribution.

But Collier County site of the first day's committee hearings, has no commodity program yet.

(The Office of Economic Opportunity said Wednesday that it would pay the administrative costs of a commodity food program for Collier. The program now needs the approval of the Department of Agriculture.

(Under the commodity program, a local welfare organization would be responsible for distributing the food. However, Collier County may have to help provide warehouse space to store the commodities. This cooperation may be hard to get since the county commission feels the migrants are a federal problem.)

Lee County (Fort Myers) has commodities but a stream of witnesses accused the local distribution agent of treating applicants in a humiliating manner and turning down many who were qualified. Some of the poor told senators they were afraid to apply. Others said they didn't know how.

And the county's sole distribution center is at the local airport, a $4 round-trip cab drive from the area where most recipients live. There is no public transit system.

In this area where truck farming is such an important part of the economy, the problems of the poor are magnified by the seasonal influx of migrant farm workers.

Migrants are excluded from coverage by the National Labor Relations Act, workman's compensation and unemployment compensation law. Residency requirements exclude most from welfare. A housing shortage forces them into crowded, unsanitary, often overpriced camps.

Most migrants specialize in certain crops, and when these are ready for harvest they earn good money for two, three or four weeks. Then follow long weeks of bare subsistence until it is time to move to the next part of the country.

Some of the senators were openly irritated by local officials who denied that there were any serious problems among the poor, or insisted they were someone else's concern.

Sen. Jacob Javits (R-N.Y.) told Collier County commissioners that their attitude was "inconceivable" to him.

REFUSAL TO WORK BLAMED

The area's congressman, Rep. Paul Rogers, told reporters, "the health doctor here tells us he's seen no extreme cases of malnutrition."

Rogers, a Democrat from West Palm Beach, was riding in a car with a tag that read: "I fight poverty. I work." He explained that the car belonged to a friend.

Asked whether he thought refusal to work was the reason for poverty in Collier, Rogers replied that "it applies in some areas."

The editor of the local newspaper, was more sweeping. "There is but one way to fight poverty, gentlemen," he said—"by providing work to those who will work and denying access to the welfare rolls to those who refuse to work."

Despite the cold-hearted remarks of some officials and community leaders, the poor are not being totally ignored. There are free lunch and breakfast programs for some children in some schools. County health officials, within severe budgetary restrictions, are trying to improve health and nutrition conditions.

OTHER HEARINGS SCHEDULED

But the problems are far beyond the scope of local finances, even where the willingness to help exists. Sen. George McGovern (D-S.D.), chairman of the committee, remarked at one point that it may be necessary to have complete federal funding of food programs.

The committee will continue exploring the dimensions of the problem with hearings in other parts of the country, starting with a front-yard trip to hunger areas in the District of Columbia. Other sites include Boston and California.

The first traveling hearing suggested, however, that food alone will not crack the cycle of human misery. It may take an assault from all directions.

[From the National Observer, Mar. 17, 1969]

THE HUNGER CRUSADE: HOW THE SENATORS SEARCHED FOR MALNUTRITION

(By Jude Wanniski)

FORT MYERS, FLA.—The caravan of 30 cars that left the Holiday Inn motel at 8:30 a.m. was embarking on a crusade. In the lead was Sen. George McGovern of South Dakota, directing a two-day search for hunger and malnutrition in the two counties at the northern edge of the Everglades. The entourage included newsmen, local officials, and four other members of the Senate Select Committee on Nutrition and Human Needs, the panel formed last year to take jurisdiction over "hunger," the hottest current social-action issue in Congress.

Democrats and Republicans, liberals and conservatives are rushing to this latest "pop issue." It springs from the idea that while poverty is a long-range problem, hunger can be tackled more neatly and quickly.

DRAMA, NOT EXPERTISE, ACCENTUATED

"The game plan," says Senator McGovern, "is to take these field trips to all regions of the country, arousing the national conscience." Then, he figures, leverage will be exerted to pry an extra $1 billion for Federal food programs from the Nixon Administration, doubling the current outlay. Congressional Republicans, he believes, will not want the Democrats to exploit this issue, and therefore will push for a maximum budget increase themselves. With this kind of politics in the air, the McGovern caravan candidly had as its prime interest drama and publicity, not scientific thoroughness. There was no doctor or nutritionist aboard, for example. And at lengthy hearings, first in the farm town of Immokalee, then in Fort Myers, witnesses who complained of their plight were heard at length. Rebuttal witnesses often were required to summarize their statements as the committee seemed to run out of time.

Not that it would have done local officials much good if they had more time to defend themselves. Against the squalor witnessed by

the senators, no explanations apparently would have sufficed. The senatorial panel plainly was in no mood for debate.

In the mornings, in bright sunshine, the caravan traveled to the meanest migrant camps its advance men could find, places like Comber's Camp, Booker's Alley, Harry's Camp, squalid $10-a-week quarters occupied by Negro and Latin-American families.

The senators, crowded by the entourage of television cameramen, went from hovel to shack, sometimes stunned, sometimes sickened, often furiously outspoken.

"These shacks are fit for pigs or chickens," raged Sen. Jacob Javits, New York Republican, who wore Army boots with his business suit. "In the slums of Harlem the people at least have inside plumbing," a crack that brought hoots from the defenders of Immokalee. Mr. McGovern winced at the Javits remark.

Sen. Marlow Cook, Kentucky Republican, at first said he thought the committee was "spinning its wheels" by taking such field trips. But on the way back to Washington, he admitted he hadn't been able to sleep well the night before, troubled by conditions he had seen during the day.

THE STENCH IN DARK ROOMS

Sen. Walter Mondale, Minnesota Democrat, and Sen. Robert J. Dole, Kansas Republican, staggered from the stench they encountered in the dark, cramped rooms of Mrs. Altames Jackson, whose husband supports her and eight children on income as a field hand of about $1,500 a year. Sen. Allen Ellender, Louisiana Democrat, at first complained that the committee was misrepresenting Florida by focusing on its meanest conditions. But he softened his objections as the quarters he viewed progressed in wretchedness.

"We have seen diets and living conditions these past two days." Mr. McGovern summed up, "that one might expect to find in Asia, not in America. Most of the cattle and hogs in America are better fed and sheltered than the families we have visited in these two counties."

This was a slight exaggeration. The group did find abysmal housing and sanitation, but no genuine hunger or blatant malnutrition. When women told the senators what they ate and what they fed their children, the senators could assume, however, that their diets were unsatisfactory. Both counties appear to have adequate school breakfast and lunch programs. And Lee County, in which Fort Myers is located, participates in the Federal surplus-commodity distribution program on a limited scale.

The committee was originally drawn to Immokalee and Collier County by the report *Hunger, USA*, issued by a private group early last year. The report suggested there was widespread malnutrition in the area, especially among migrant laborers.

MIGRANTS ARE "FEDERAL PEOPLE"

The Collier County Commission, however, was not impressed with the report and continued to refuse participation in a Federal surplus-food program. The county's permanent population is 27,700, and its peak migrant population is 22,000. Ewell F. Moore, a county commissioner, insists the migrants are "Federal people," since they move across state boundaries in following the crops, and so they are not his county's responsibility.

The senators were openly incensed by Mr. Moore's distinction. The commissioners have argued that they "take care of their own," and now Mr. Moore was drawing a line between Collier's "own" and the migrants. Besides, the Federal food is free, the county need pay only for distribution. But Mr. Moore, and some others in the county, seemed to fear that if a significant welfare hand is extended to the migrants they will choose to remain year round in Immokalee instead of moving north with the migrant stream. Their labor is needed only four months of the year.

Under pressure from the senate panel, County Commission Chairman Lester Whitaker finally agreed to "take a look" at the Food Stamp program when it becomes available in Florida. The state has delayed getting into this program. Many counties have resisted surplus food after protests from grocers who fear loss of trade because of the direct giveaway.

WITHERING BLASTS FROM JAVITS

Claude Kirk, Florida's Republican governor, glumly sat through the hearings, puffing on a pipe. He risked statements a few times only to suffer blasts from Senator Javits and Senator Mondale, who believe Governor Kirk should have exerted more influence to bring Collier County into the surplus-food program.

At the conclusion of the hearing in a Fort Myers' recreation center, Mr. Kirk chided the committee for posturing as if it had the monopoly on social conscience, pulled out some freshly drawn charts, and suggested a 12-state governor's compact to serve the migrant stream in a Federal-state effort. The panel brusquely dismissed him after Mr. McGovern made a faint show of welcoming the governor's suggestion. In Tallahassee the following day, Mr. Kirk put a long-distance blast on the committee: "We are all growing tired of seeing the poor among us used as pawns in political publicity gimmicks."

The population of Lee county is 83,200 and almost a third consists of families with an annual income of less than $3,000. It has a Federal food-surplus program. Nevertheless, on their tour of Fort Myers, the senators again found miserably poor families who had either never heard of the program or had been turned down by County Welfare Director John Craft.

Mr. Craft indicated that he insists upon documentary proof of abject poverty before handing out the free Federal food. Nor will Mr. Craft or his aides make a home visit, which is enough under Florida law to qualify a family for free food if the conditions are obviously miserable.

THESE POOR DON'T COME TO CHURCH

Julian Hudson, chairman of the county commission, apparently believed Mr. Craft was serving 4,600 families a month, rather than a scant 450. The local president of the National Association for the Advancement of Colored People (NAACP), who is also pastor of the Friendship Baptist Church, brushed aside suggestions from Senator Dole that he perhaps has a responsibility to get word out to the poor that free food is available. "These poor don't come to church," the minister replied.

The hunger crusade, in a way, was baptized in these two Florida counties. It was the place, at least, where the rhetoric of hunger politics got a chance at some needed refinement. And some tentative conclusions might be drawn:

Mr. Kirk may have been laggard in bringing food stamps to Florida. Doubtless more of his energies could have been spent on ridding his state of places like Harry's Camp and Booker's Alley. But his idea of a 12-state compact to service the migrant stream is not a bad one. At least that was the only fresh approach offered at the hearings.

The caravan's goal is to build a national issue, to pull a mandate from the White House, to channel more of the nation's resources toward fighting hunger. Mr. McGovern seems to think a good move has been made in that direction, and he is probably right. There was direct benefit too. Mr. Craft may ease up on his guidelines. Immokalee will "take a look" at Federal food stamps. And Senator Mondale made sure Mrs. Altames Jackson's toilet was unplugged.

AFFIDAVIT

STATE OF FLORIDA, *County of Lee, ss:*

Before me, the undersigned authority authorized to administer oaths and take acknowledgments personally appeared Gerald S. Joseph Cassidy and Michael Kantor, Attorneys at Law, who after first being duly sworn depose and say:

Our names are Gerald S. Joseph Cassidy and Michael Kantor, we are employed by the South Florida Migrant Legal Services Program, Inc.

On Thursday, November 14, 1968 at 2:00 P.M. we met with Julian Hudson, Chairman, Lee County Commissioners at his office in the Lee County Courthouse.

At this time we presented affidavits from Dora Robinson, Ruby McDonald, Colar Johnson, Mildred Robinson and Lynda Dolliver, all alleging abusive conduct by Robert Craft, Director, Lee County Welfare Department to Mr. Hudson.

We explained to Mr. Hudson the seriousness with which we viewed these charges and stated that we were presenting them to him privately in order to afford the county an opportunity to correct the situation themselves, and if this was not done we would have to proceed to suit.

Mr. Hudson expressed his concern and told us he would investigate the matter, and see to it that the situation was rectified, and would inform us of his efforts. We have not heard from Mr. Hudson on this matter since then.

GERALD S. JOSEPH CASSIDY.
MICHAEL KANTOR.

Sworn to and subscribed before me this 13th day of March, A.D. 1969.

MARY E. DORMAN,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgements personally appeared Colar Johnson, who after first being duly sworn, deposes and says:

I had an operation in 1961 and after I got out of the hospital I went to Mr. Craft for some help. He said my doctor said I was able to work. I don't see what you are coming up here for. I am not going to give you no help. You better carry yourself into the fields and work.

I went back to him in 1962 for help. I had been just about everywhere for help. I went to the Social Security Board and they sent me back to Mr. Craft and he refused to give me anything and kept yelling the same things over and over. I went back to Social Security and a man there gave me a slip to take to Mr. Craft and he still refused me. About a week later, I went back with Mrs. Sylvia Preston and Mr. Craft said I don't see why you keep coming up here for. I don't feel like being bothered with you. Then he walked out and slammed the door. After I left the courthouse, I fell and broke one of my ribs. Sylvia carried me to the Hospital. They worked on me and sent me back home. After I got so I could walk around again, I went back up to Mr. Craft and he hide from me. The secretary said Mr. Craft wasn't in. I looked in the office and saw Mr. Craft and said yonder he is and she said well he hasn't got time to bother with you. She said he is not going to help you and there wasn't any need for me to keep running up there.

In 1967 I wrote Mr. Claude Kirk to tell him how Mr. Craft was treating me and he wrote back that the welfare people said I was able to work. I went to Mr. Craft the following week and he said you are still trotting up here you are able to go to the fields. In 1967 I kept going there until one day I fell out in the street coming back from Mr. Craft's. I called the welfare worker so she

could see how my lip was busted. I told her I thought it was the sugar diabetes causing me to fall down.

In May of 1968 I went back up to Mr. Craft. He had started giving me commodities and when I went up to be re-certified the secretary snatched the card out of my hand. I said there is no need for you to grab anything out of my hand I am not no dog. She said when you start getting your welfare checks we will give you some groceries. They never did give me no more groceries or welfare until Mr. Foster took it over but I kept going up there for help.

COLAR JOHNSON.

Sworn to and subscribed before me this 12th day of November, A.D. 1968.

MARY DORMAN,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments personally appeared Lynda Dolliver, who after being duly sworn, deposes and says:

My name is Lynda Dolliver, and I am an investigator with South Florida Migrant Legal Services Program, Inc., at 2106 Ford Street, Fort Myers, Florida.

I was employed by South Florida Migrant Legal Services on July 29, 1968 and since that time I have had as a part of my duties the responsibility of assisting needy families in obtaining aid i.e. commodity food, medicine, physician's care, etc. from the Lee County Welfare Department under the direction of Mr. Robert Craft.

The following is a list of clients and examples of the treatment and aid they have received from the County Welfare Office.

Julio Sanchez Rivas is a disabled veteran who applied for commodity foods at the Welfare Office. Mr. Sanchez was told by Mr. Craft that it was not right for him to come here to be a burden on Lee County's tax payers when he knew he was disabled and could have stayed in Puerto Rico and drawn welfare. Mr. Sanchez was allowed to receive commodity foods.

Dora Robinson is a 58 year old woman who has repeatedly been abused by Mr. Craft and was told that your disability is self-inflicted. Why don't you get rid of that fat and get yourself a job. He then said I'll give you your medicine this time but I won't give you any more. Get your children to buy your medicine for you. Mrs. Robinson's son-in-law is recovering from wounds received in Viet Nam and is trying to support his pregnant wife and two children.

Mildred Robinson is the mother of six children whose husband has suffered a stroke. Mrs. Robinson was told what you look for, me to take care of your children? She was told repeatedly by Mr. Craft not to come back for help. She was certified for one month for commodity foods.

Cleo Cain was suffering from an unhealed surgical wound and was told to go to work and earn enough money to see your own doctor. She finally did receive a referral to the County Health Department who told her there was nothing they could do and she had to go back to her own doctor.

Ruby McDonald was refused for commodity foods and was told to sell her children's land and to use the money to buy food. Mrs. McDonald has a serious heart condition and her husband has diabetes which has caused him to have one leg amputated. Most of their money has had to go to buy expensive medicines. They have never received any assistances through County Welfare.

Josephine Smith has been constantly refused commodities because her 18 year old son is at home. Mrs. Smith went to Mr. Craft to be refused to the Lee County Health Department for an examination of her eyes which have been causing her extreme pain. Mr. Craft told her that there was nothing wrong with her eyes and refused to refer her to a doctor. After many attempts she was finally referred to the Health Department who in turn had the Migrant Health Project refer her to be examined by Dr. Cecil Beelher. Dr. Beelher told Mrs. Smith she needed glasses very badly.

The above examples are a few of the cases I have personally witnessed.

LYNDA DOLLIVER.

Sworn to and subscribed before me this 13th day of November, 1968.

MARY DORMAN,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgements personally appeared Mrs. Mildred Robinson, who after first being duly sworn, deposes and says:

My name is Mildred Robinson. I reside at 3026 Franklin Court, Fort Myers, Florida. I have been in Fort Myers for seventeen years and have also been living at 3026 Franklin Court for five years.

What I want to say to you is I was in need mighty bad and was sent downtown to Mr. Robert Craft for help. He talked to me mighty bad but I took it because I had little kids to feed and didn't have nothing myself.

After the doctor sent me, he still talked like he didn't want to do anything so he asked me "what do you look for, me to take care of your children?" and I said no I don't.

When he gave the grocery order he would tell me not to come back but when I needed it again the doctor would send me back.

I was getting commodity food for my children two years ago. He stopped giving it to me because he told me my son could help me. My son is now married and have a family of his own to take care of. The lady that I pay rent to said that he should give it back to me. She told me to go see if I could get it again.

MILDRED ROBINSON.

Sworn to and subscribed before me this 12th day of November, 1968.

MARY DORMAN,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments personally appeared Ruby McDonald, who after first being duly sworn, deposes and says:

My name is Ruby McDonald. I have lived in Fort Myers for twenty-eight years.

In 1963 I went down to Mr. Craft for help and he denied me and turned me down. I was asking for aid for my grandchildren. He said put their mothers out, he couldn't give me anything.

In 1965, I was admitted to the hospital for surgery and didn't have enough sufficient insurance. The hospital officials sent me to Mr. Craft for help. He again turned me down saying he just wouldn't help me.

In 1968 my husband had cement poison and gangrene set in. He was admitted for emergency and in that he lost a leg. The hospital sent me back to Mr. Craft again. He turned me down.

When I first went to him for aid my husband was disabled and Mrs. Shatford who was my case worker at the time tried unsuccessively to get him to give me aid. He said I would have to have a statement from the doctor which he was able to get from Dr. M. F. Johnson. He still wouldn't accept and turned me down. He talked so ruff about it.

Every time I ever went there he yelled at me and talked ruff. He don't intend to give me any kind of help which I need so bad right now.

I have had the foregoing statement read to me, and it is a true statement of the facts.

RUBY MCDONALD,

Sworn to and subscribed before me this 12th day of November, 1968.

MARY DORMAN,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments personally appeared Dora Robinson, who after first being duly sworn, deposes and says:

I Dora Robinson, am a 58 year old Negro woman. I reside at 2252 French Street, Fort Myers, Florida. I have lived in Fort Myers the last thirteen years.

I am a widow, and have done farm work all my life.

On or around June 7th, 1968, I visited the local Social Security Office to inquire about Disabled Widows Benefits, and they told me they couldn't help me. I asked if they could help me get money to get my medicine. (I suffer from hypertension and have recently been told by Dr. J. Frank Rawl that I can no longer do farm work.) They told me to go see Mr. Craft at the county Welfare Office and that he would help me.

I went to see Mr. Craft that day and told him that Social Security told me he might be able to help me. He did not let me fill out an application, nor did he ask me about my wages. He told me he couldn't afford to help me, and why didn't my children buy me my medicine. He told me to go get a job, that he wasn't going to give me the taxpayers money. I said I was sorry for bothering him, and I left. I don't like being yelled at.

I have had this statement of one page, read to me and it is a true statement of the facts.

DORA ROBINSON,

Sworn to and subscribed before me this 26th day of June, 1958.

SHULEN WALKER,
Notary Public.

AFFIDAVIT

STATE OF FLORIDA,
County of Lee, ss:

Before me, the undersigned authority, authorized to administer oaths and take acknowledgements personally appeared Dora Robinson, who after first being duly sworn, deposes and says:

I Dora Robinson, am a Negro woman, age 58. I reside at 2252 French Street, Fort Myers, Lee County Florida. I have resided in Lee County for the last thirteen years, including this last present year.

I have never worked at any other work than field work in my entire life. Recently, June 15th, Dr. J. Frank Rawl told me I could no longer do field work because of my hypertension.

During the last two months I have earned no more than thirty-dollars.

My daughter, her husband and their two children live with me. My son-in-law is in the army, he was recently wounded in Vietnam, and is now at home awaiting a medical discharge. He is unable to work, and will be so unable for some time to come. They will have to move to Orlando very soon, so that he will be close to a government hospital in order to receive further rehabilitation treatment Presently they receive $140 per month. I will no longer share in this income when they move out in the very near future.

Our total monthly income has been less than $170, for five of us.

I have had this statement of one page read to me and it is a true statement of the facts.

DORA ROBINSON.

Sworn to and subscribed before me this 26th day of June, 1968.

SHIRLEY M. WALKER,
Notary Public.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar, beginning with No. 93, and that the remaining measures be considered in sequence.

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

DESOLATION WILDERNESS, ELDORADO NATIONAL FOREST

The bill (S. 713) to designate the Desolation Wilderness, Eldorado National Forest, in the State of California was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance, with subsection 3(b) of the Wilderness Act of September 3, 1964 (78 Stat. 891), the area classified as the Desolation Valley Primitive Area, with the proposed additions thereto and deletions therefrom as generally depicted on a map entitled "Desolation Wilderness—Proposed," dated April 26, 1967, which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, is hereby designated as the Desolation Wilderness within and as a part of the Eldorado National Forest, comprising an area of approximately sixty-three thousand five hundred acres.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Desolation Wilderness with the Interior and Insular Affairs Committee of the United States Senate and the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The Desolation Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 4. The previous classification of the Desolation Valley Primitive Area is hereby abolished.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-97), explaining the purposes of the bill.

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

PURPOSE

This bill, S. 713, designates a total of 63,469 acres in the El Dorado National Forest in California to be administered in accordance with the provisions of the Wilderness Act, Public Law 88-577, by the Secretary of Agriculture.

DESCRIPTION

The area lies immediately west of Lake Tahoe on both sides of the crest of the Sierra Nevada Mountains. It is 90 miles east of Sacramento by way of U.S. Highway 50. The area includes the headwaters of the Rubicon River, the South Fork of the American River, and the Truckee River watershed within El Dorado County.

The proposed wilderness is a popular hiking area because of its rugged mountain scenery, glaciated valley and ridges, lakes, streams, and alpine vegetation. However, 65 percent of the proposed wilderness is devoid of vegetation. Lakes make up about 3 percent of the area, and provide a special attraction for fishermen.

The area has a summer population of California black-tailed deer and California mule deer, and a few black bear. A wide variety of small mammals and birds frequent the area.

Of the total of 63,469 acres in national forest land which comprise the proposal, 40,744 acres are now within the Desolation Valley Primitive Area, and the remaining 22,725 acres in six separate units.

RESOURCES

While scattered stands of alpine-type conifers grow in the various lake basins, a small commercial volume of timber is not economic for logging. The volume has never been included in the calculations of the allowable cut of the Eldorado National Forest. Cattle graze under permit, and this will be continued. The U.S. Geological Survey says there is no record of mineral production from the area, and no mineral commodities that can be mined economically at the present. One gold potential was uncovered, but was said by the Geological Survey and the U.S. Bureau of Mines to be too low in grade and too erratically distributed for economic extraction.

WATER

The area is important as a water source because of its location, size, area of heavy precipitation, and because of its basinlike topography which forms a catchment for snow. The water is nearly 100 percent utilized for agricultural, irrigation, and domestic uses, and for power production in both California and Nevada.

RUBICON DAM PROBLEM

During hearings on S. 713, the question was raised as to whether or not the inclusion within the boundaries of two dams might dilute the wilderness concept. The committee decided that due to the particular circumstances surrounding the use, establishment, and management of the dams, they were acceptable within the boundaries suggested by the Forest Service for the wilderness area.

Lake Aloha is a shallow reservoir constructed in 1865 in the southern end of the primitive area. The small dam is made of native rock masonry, and blends so well into its surroundings as to be hardly noticeable. In recent years the water has been used for generation of power outside the proposed wilderness by the Pacific Gas & Electric Co.

In the northern end of the primitive area, a dam was built by the Sacramento Municipal Utility District in 1963 after many years of negotiation and study of alternate sites and facilities, and after many conferences by the Forest service with conservationists and other interested parties. The Rubicon Dam is constructed of gray concrete and blends with the surrounding rocky area. A tunnel diverts water to Rock Bottom Lake. An access road used for construction of the dam has been abandoned and is now only a trail to the dam. Helicopters are used by the SMUD to land at the dam and read gages. The Forest Service testified this was an existing use which could be continued under provisions of the Wilderness Act. The committee believes that the Forest Service should also accord SMUD emergency access whenever the need arises.

It was brought out in the hearing, and re-emphasized by the committee, that establishment of the wilderness area would in no way change the jurisdiction of the Federal Power Commission which licensed the two dams.

All land within the boundary of the proposed desolation wilderness is national forest land.

RECOMMENDATION

The Senate Interior and Insular Affairs Committee favorably recommends S. 713 for early passage.

YAKIMA PROJECT, WASHINGTON

The Senate proceeded to consider the bill (S. 742) to amend the Act of June 12, 1948 (62 Stat. 382), in order to provide for the construction, operation, and maintenance of the Kennewick division extension, Yakima project, Washington, and for other purposes which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 3, at the beginning of line 5, strike out "$5,352,000 (October 1966 prices)" and insert "$6,735,000 (January 1969 prices)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 12, 1948 (62 Stat. 382), is hereby amended as follows:

(a) Insert the words "and Kennewick division extension", after the words "Kennewick division" in section 1 and add the following items to the principal units listed in said section: "Kiona siphon" and "Relift pumping plants".

(b) Insert at the end of section 3 the following: "Costs of the Kennewick division extension allocated to irrigation which are determined by the Secretary to be in excess of the water users' ability to repay within a fifty-six-year repayment period following a ten-year development period, shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707): *Provided,* That section 5 of this Act shall not be applicable to the revenues derived from the Federal Columbia River power system. Power and energy required for irrigation water pumping for the Kennewick extension shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him."

SEC. 2. No water shall be delivered to any water user on the Kennewick division extension for a period of ten years from the date of enactment of this authorizing Act for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 3. There are authorized to be appropriated for the new works associated with the Kennewick division extension $6,735,000 (January 1969 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein, as shown by engineering cost indexes, and, in

addition, such sums as may be required to operate and maintain the extension.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–98), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of S. 742, which was cosponsored by Senators Jackson and Magnuson, is to authorize the construction, operation, and maintenance of an extension to the existing Kennewick division of the Yakima reclamation project in southeastern Washington. The extension would bring an additional 6,300 acres of land under irrigation and provide wildlife conservation benefits.

BACKGROUND

Construction of the Yakima project was initiated in 1905. There are presently six operating divisions in the project. The Kennewick division is the most recently constructed, having been authorized in 1948 (Public Law 80–629).

The Secretary of the Interior's feasibility report on the Kennewick division extension was transmitted to the Congress on April 10, 1964, and has been printed as House Document No. 296, 88th Congress.

S. 742 contemplates the authorization of the Kennewick extension by amendment of the act of June 12, 1948 (62 Stat. 382) which authorized the Kennewick division.

Bills to authorize construction of the extension passed the Senate in the 88th Congress (S. 2630), 89th Congress (S. 794), and 90th Congress (S. 370). Final action was not taken in the House.

The Subcommittee on Water and Power Resources held hearings on S. 742 on March 4, 1968. The Department of the Interior, by letter of March 3, 1969, recommended enactment of S. 742 with an amendment. The Bureau of the Budget, by letter of March 5, 1969, expressed no objection to enactment if amended as the Department recommends. The committee has adopted the recommended amendment.

PLAN OF DEVELOPMENT

The existing Kennewick division serves approximately 19,000 acres of land. It is the most recent of the six operating divisions of the Yakima project. Section 6 of the 1948 authorization act provided for extra capacity in the division's main canal sufficient to irrigate approximately 7,000 acres over and above the lands in the division, and recognized the cost of the construction of such extra capacity as a deferred obligation.

The extension proposed in S. 742 would fully utilize this previously provided capacity, built at a cost of $341,000. Major new facilities would be a third pump at Chandler pumping plant, the mile-long Koina siphon, six small relift pumping plants, 24 miles of canals and conduits, a lateral distribution system, and draining facilities.

The average annual diversion requirement for the extension would be 31,500 acre-feet and would consist primarily of return flows from irrigated lands upstream, supplemented by natural flows of the Yakima River. In 1931 the Bureau of Reclamation obtained a permit from the State of Washington for the Kennewick Irrigation District to divert up to 1,600 cubic feet per second for irrigation and power purposes. This permit fully covers the diversions to the extension lands.

The Kennewick division extension is basically an irrigation development, but benefits to wildlife resources will also be realized. The Fish and Wildlife Service reports that irrigation of these lands will be beneficial to upland game birds. Opportunities to develop significant benefits to recreation, flood control, municipal and industrial water supply, or other purposes are not available.

FINANCIAL AND ECONOMIC ANALYSIS

The estimated construction cost of the extension is $6,735,000. This cost reflects recent changes in design of the distribution system and updating of estimates to January 1969 price levels. The investment cost of the extension, which also includes assigned costs from works already completed and other assigned costs, totals $7,554,700 of which $7,421,900 is allocated to irrigation and $132,800 is allocated to fish and wildlife conservation. Annual operating costs are $51,600.

Annual project benefits are evaluated to total $889,800 of which $884,300 are irrigation benefits and $5,500 are wildlife conservation benefits. The project has a ratio of benefits to costs of 2.8 to 1 over a 100-year period of analysis.

The irrigation water users would repay all operating costs and in addition $1,688,400 of the investment costs allocated to irrigation. In addition, $259,300 of assigned power costs would be repaid from irrigation water pumping power charges. Financial assistance of $5,474,200 would be provided from Federal Columbia River power system revenues.

The project repayment analysis utilizes a formula for determining an irrigation pumping power rate which assures repayment without interest of an equitable portion of the overall power investment of the Federal Columbia River power system and associated operating costs. This is compatible with the traditional Reclamation policy that irrigation investment be returned without interest. It will not adversely affect the rates or the repayment schedule for the commercial power investment of the system.

NEED FOR THE PROJECT

Almost all of the lands in the extension area are dry, supporting for the most part only sagebrush and native grasses used for livestock grazing, and other uses are impracticable under present conditions. When irrigated, the land will be especially suitable for production of general row crops, and for specialty crops and fruits, such as grapes, sweet cherries, prunes, peaches, and apricots.

The project will put to beneficial use the investment in additional capacity which was made when the Kennewick division was initially constructed. It has the strong support of the State of Washington and the local interests.

COMMITTEE AMENDMENT

The committee amended the bill to reflect the recommendations of the Department of the Interior. The amendment will increase the authorization of appropriations for the Kennewick extension from $5,352,000 (October 1966 prices) to $6,735,000 (January 1969 prices). This increase not only reflects the updating of costs to current price levels but also includes the costs of a recent design change which would provide a pipe distribution system in place of open ditches.

COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs recommends that S. 742 be enacted as amended.

WALLA WALLA PROJECT, OREGON-WASHINGTON

The Senate proceeded to consider the bill (S. 743) to authorize the Secretary of the Interior to construct, operate, and maintain the Touchet division, Walla Walla project, Oregon-Washington, and for other purposes which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 4, line 18, after the word "division," strike out "$16,630,000 (January 1965 prices)," and insert "$22,774,000 (January 1969 prices)."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for purposes of supplying irrigation water initially for approximately ten thousand acres of land, providing municipal and industrial water, flood control, the enhancement of fish and wildlife resources, and the enhancement of recreation opportunities, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the Touchet division of the Walla Walla project, Oregon-Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the division (hereinafter referred to as the project) shall consist of the Dayton Dam and Reservoir, fish passage facilities, a diversion dam, and associated drainage facilities.

(b) The Secretary is authorized to construct the Dayton Dam and Reservoir to the physical limitations of the site and to recognize the cost of providing such additional capacity as a deferred obligation to be paid, in accordance with section 2 of this Act, at such time as the additional storage capacity is contracted for: *Provided,* That until such additional storage capacity is contracted for, operation and maintenance costs attributable to the excess capacity shall be funded and added to the construction costs allocated to deferred capacity.

(c) In order to assure a realization of the fish and wildlife enhancement benefits contemplated by this Act, the Secretary shall adopt appropriate measures to insure the maintenance of a streamflow between Dayton Dam and the mouth of the Walla Walla River that is not less than thirty cubic feet per second unless he determines that a water shortage or other emergencies exist or that lesser flows would be adequate for the maintenance of fish life.

SEC. 2. Irrigation repayment contracts shall provide for repayment of the obligation assumed thereunder with respect to any contract unit over a period of not more than fifty years, exclusive of any development period authorized by law. Construction costs allocated to irrigation beyond the ability of the irrigators to repay shall be charged to and returned to the reclamation funds in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200), as amended by section 6 of the Act of September 7, 1966 (80 Stat. 707).

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Touchet division shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213). All costs allocated to the enhancement of anadromous fish species shall be nonreimbursable.

SEC. 4. The interest rate used for purposes of computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable obligations assumed by non-Federal entities shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption from fifteen years from date of issue, adjusted to the nearest one-eighth of 1 per centum.

SEC. 5. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be

delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. There are hereby authorized to be appropriated for construction of the new works involved in the Touchet division, $22,774,000 (January 1969 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said project.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–99), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of S. 743, which was cosponsored by Senators Jackson and Magnuson, is to authorize the construction, operation, and maintenance of the Touchet division of the Walla Walla reclamation project in southeastern Washington. The division would develop the flows of the Touchet River for the purposes of irrigation, municipal, and industrial water supply; flood control, fish and wildlife enhancement, and recreation.

BACKGROUND

The Secretary of the Interior's feasibility report on the Touchet division was transmitted to the Congress on April 21, 1965, and has been printed as House Document No. 155, 89th Congress.

Bills to authorize construction of the division passed the Senate in the 89th Congress (S. 1088) and the 90th Congress (S. 485). Final action was not taken in the House.

The Subcommittee on Water and Power Resources held hearings on 743 on March 4, 1968. The Department of the Interior, by letter of March 4, 1969, recommended enactment of S. 743 with an amendment. The Bureau of the Budget, by letter of March 7, 1969, expressed no objection to enactment if amended as the Department recommends. The committee has adopted the recommended amendment.

PLAN OF DEVELOPMENT

The Touchet River now is completely uncontrolled. Every year in the pattern of all tributary streams in the Pacific Northwest the river floods its valley in the spring and by late summer carried insufficient water to meet local requirements.

Although some irrigation development was started a century ago, today only 5,000 to 6,000 acres are irrigated and much of the land has less than a full water supply. Irrigation from the river has been primarily by gravity diversion but pumping has increased in recent years. Water rights on the river have been adjudicated and a system of priorities has been established.

A principal feature of the Touchet project will be the Dayton Dam on the Touchet River a few miles upstream from the valley's largest community of Dayton. The dam would be a rolled earthfill structure about 200 feet high. It would create a reservoir of 52,600 acre-feet, of which 33,200 acre-feet would be conservation storage, and 15,000 acre-feet would be joint storage to be operated on a seasonal and forecast basis for flood control and conservation.

Reservoir right-of-way required for all project purposes totals 1,470 acres, all now in private ownership. Of this total about 390 acres are now cultivated and 15 farmsteads would be inundated. A country road and power and telephone lines would be relocated.

Facilities of fish enhancement in addition to the necessary controlled flow of water consist of a trap below the dam, and a hopper and tramway to carry upstream migrants over the dam. Selective level outlets in the dam and a collector system for downstream migrants are also to be provided specifically for fish.

The large cost allocation to fish and wildlife enhancement is primarily justified by the restoration of a substantial run of anadromous fish made possible by this project. A large annual yield of mature salmon made available to the fishermen of the lower Columbia and Pacific waters, as well as local sportsmen, is contemplated.

Water from the reservoir will be released into the natural stream channel from which it will be diverted by the irrigators and the city of Dayton through their own facilities; some by gravity system and some by pumping.

Irrigation water will be served initially to some 9,960 acres of land: 3,520 acres requiring full supply, and 6,440 acres requiring only supplemental water. The quality of the land when irrigated suits it for a shift from grain production, the area's principal land use, to row crop farming of fruits and vegetables.

The reservoir capacity is adequate to serve an additional 7,000 acres, and contracts for the additional service are anticipated.

FINANCIAL AND ECONOMIC ANALYSIS

The estimated construction cost of the Touchet division is $22,774,000. This cost reflects recent changes in design of the dam and updating of estimates to January 1969 price levels. The costs are allocated to the project purposes as follows:

Irrigation	$9,014,000
Flood control	1,004,000
Municipal and industrial water supply	150,000
Fish and wildlife enhancement	12,261,000
Recreation	195,000
Highway improvement	150,000
Total	22,774,000

Annual project benefits are evaluated to total $1,545,900. The project has a ratio of benefits to costs of 1.72 to 1 over a 100-year period of analysis.

The irrigation costs will be repaid without interest. The water users in the initial development are capable of repaying $1,214,500 (28 percent) of the initial irrigation costs. Financial assistance of $3,058,500 for the initial development will be required from the surplus revenues of the Federal Columbia River Power System and from net municipal and industrial revenues. The remaining irrigation costs of $4,741,000 are associated with anticipated later contracts.

Department witnesses assured the committee that many owners of land outside the boundary of organized irrigation districts had expressed interest in contracting for portions of the yield of Dayton Reservoir beyond that required for the presently organized districts. Despite the provision of section 1(b) of S. 743, the committee feels that construction of Dayton Dam and Reservoir should not be initiated until repayment contracts have been executed with water user organizations representing sufficient arable land to utilize substantially the entire firm irrigation yield. The committee further feels that under this arrangement there will be no necessity for repayment to be deferred for any part of the irrigation allocation.

Costs allocated to municipal and industrial water supply will be repaid with interest. Costs allocated to flood control and the incremental costs of higher standards for relocating highways are nonreimbursable by law. Costs allocated to recreation will be shared under the provisions of the Federal Water Projects Recreation Act.

The costs associated with the enhancement of anadromous fisheries ($9,082,000) would be nonreimbursable under the provisions of section 3 of the proposed bill. The remaining costs allocated to fish and wildlife conservation would be shared under the provisions of the Federal Water Projects Recreation Act.

NEED FOR THE PROJECT

Dayton Dam and Reservoir which are authorized by the bill will form the only sizable lake in the Walla Walla Basin. The facility will bring 10,000 acres of rich farmland under full irrigation in its initial stages with deferred water storage for an additional 7,000 acres. Water sports, boating, swimming, fishing, and water skiing as well as camping and picnicking opportunities will be created.

Expert testimony shows that the project will reestablish the anadromous fish run on a very large scale. A potentially outstanding salmon stream, the Touchet River, is expected to contribute more salmon to the Columbia River fishery when the project is in full operation than it did in the days before Lewis and Clark.

The Touchet Valley suffers destructive floods and periods of severely reduced flow with resultant pollution of the stream. The proposed project will afford vital protection of life and property.

The regulation afforded by the reservior will permit the maintenance of flows in the river during the irrigation season of sufficient quantity to provide high quality water for sustenance of the fisheries.

COMMITTEE AMENDMENT

The committee amended the bill to reflect the recommendations of the Department of the Interior. The amendment will increase the authorization of appropriations for the Touchet division from $16,630,000 (January 1965 prices) to $22,774,000 (January 1969 prices). This increase reflects not only the updating of costs to current price levels but also includes the costs of a recent design change on the Dayton Dam to reflect recent hydrologic data.

COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs recommends that S. 743 be enacted as amended.

AUTHORIZING APPROPRIATIONS FOR THE SALINE WATER CONVERSION PROGRAM FOR FISCAL YEAR 1960, AND FOR OTHER PURPOSES

The Senate proceeded to consider the bill (S. 1011) to authorize appropriations for the saline water conversion program for fiscal year 1970, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 1, after line 2, strike out:

That section 8 of the Saline Water Conversion Act (66 Stat. 328), as amended (42 U.S.C. 1958), is amended to read as follows:

"SEC. 8. There are authorized to be appropriated such sums, to remain available until expended, as may be specified in annual appropriation authorization acts to carry out the provisions of this Act. Effective July

1, 1969, funds appropriated under this Act shall not be used to participate with public or private agencies in foreign countries in the construction or operation of desalting plants or components thereof; or to perform as an agent or to provide supervision in connection with the construction or operation of such plants or components when the primary purpose of the plants or components is the production of potable water for use by foreign countries, except that funds so appropriated shall be available to carry out any commitment made prior to said date."

And, in lieu thereof, insert:

That the last sentence of section 8 of the Saline Water Conversion Act (66 Stat. 328), as amended (42 U.S.C. 1958, et seq.) is further amended to read as follows:

"Effective July 1, 1968, except for the activities authorized by section 3 of this Act, no new commitments shall be made under authority of this Act for cooperation with public or private agencies in foreign countries which require the expenditure of funds appropriated pursuant to this Act, but funds so appropriated shall be available to carry out commitments made before said date."

So as to make the bill read:

S. 1011

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 8 of the Saline Water Conversion Act (66 Stat. 328), as amended (42 U.S.C. 1958, et seq.) is further amended to read as follows:

"Effective July 1, 1968, except for the activities authorized by section 3 of this Act, no new commitments shall be made under authority of this Act for cooperation with public or private agencies in foreign countries which require the expenditure of funds appropriated pursuant to this Act, but funds so appropriated shall be available to carry out commitments made before said date."

SEC. 2. (a) There is authorized to be appropriated to carry out the provisions of the Saline Water Conversion Act (66 Stat. 328), as amended (42 U.S.C. 1951 et seq.), during fiscal year 1970 the sum of $27,000,000 as follows:

(1) Research and development operating expenses, not more than $18,095,000.

(2) Design, construction, acquisition, modification, operation, and maintenance of saline water conversion test beds and test facilities, not more than $5,355,000;

(3) Design, construction, acquisition, modification, operation, and maintenance of saline water conversion modules, not more than $1,450,000; and

(4) Administration and coordination, not more than $2,100,000.

(b) Expenditure and obligations under any of the items in this section except item (4) may be increased by not more than 15 per centum if such increase is accompanied by an equal decrease in expenditures and obligations under one or more of the other items, including item (4).

SEC. 3. In addition to the sums authorized to be appropriated by this Act, the Secretary may utilize any funds previously appropriated for this program which are not obligated on June 30, 1969, subject to the dollar limitations applicable to the fiscal year 1969 program.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-100), explaining the purposes of the bill.

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

PURPOSE OF THE MEASURE

The purpose of this legislation, which was proposed by the administration, is to authorize appropriations for fiscal year 1970 for the saline water conversion program and to amend the Saline Water Conversion Act to clarify the authority to expend funds for foreign activities.

BACKGROUND

The Office of Saline Water was established by the Congress to conduct a research and development program aimed at the development of low-cost methods for desalting saline and brackish waters for beneficial and consumptive purposes. The program through fiscal year 1967 operated under two basic authorizations:

1. Authority to conduct research and development programs. (Saline Water Act of 1952, 66 Stat. 328, as amended.)

2. Authority to construct, operate, and maintain desalting plants in order to demonstrate the production of desalted water (72 Stat. 1706).

In 1967, the Congress enacted legislation (81 Stat. 78) to consolidate the earlier acts under the title of the Saline Water Conversion Act, and to authorize appropriations for fiscal year 1968. It has since been the policy of the Congress to authorize appropriations for the program on an annual basis.

In 1968 the act authorizing appropriations for the fiscal year 1969 program (82 Stat. 110) amended the Saline Water Conversion Act to delete the references to appropriations ceilings and to provide for separate appropriations acts in future years. It also added a provision to prohibit commitments to be made with agencies in foreign countries which require the expenditure of funds.

PRESENT LEGISLATION

The draft of S. 1011 was transmitted to the Congress by the Secretary of the Interior by letter of January 15, 1969, and the bill was introduced by Senator Jackson by request, on February 17, 1969.

The provisions of the bill as amended by the committee are as follows:

Section 1 would further amend section 8 of the Saline Water Conversion Act (66 Stat. 328, as amended), to clarify the Secretary of the Interior's authority to expend funds to perform the functions involving foreign activities which he is authorized to perform by section 3 of the act.

Section 2 would authorize appropriations of $27 million for fiscal year 1970. This amount supports the request in the fiscal year 1970 budget now under consideration by the Congress. Further limitations are imposed upon the portions of this amount which may be applied to specific activities within the program. This section would also provide authority to reprogram funds among activities to the extent of a 15-percent increase in any single activity (except administration and coordination). Presently, reprograming is limited to 10 percent.

Section 3 provides for the utilization in fiscal year 1970 of any previously appropriated funds which are carried over into the fiscal year.

The Subcommittee on Water and Power Resources held an open hearing on March 11, 1969.

COMMITTEE AMENDMENT

The committee amended the bill by deleting section 1 of the Department's bill and submitting language which will not extend the Secretary's authority to engage in foreign activities but will clarify his authority to expend funds in the performance of foreign activities which are already authorized by section 3 of the Saline Water Conversion Act.

Public Law 90-297 (82 Stat. 110), authorizing appropriations for the program for fiscal year 1969, amended section 8 of the Conversion Act to include the following language:

"Effective July 1, 1968, no new commitments shall be made under authority of this Act for cooperation with public or private agencies in foreign countries which require the expenditure of funds appropriated pursuant to this Act, but funds so appropriated shall be available to carry out commitments made before said date."

This language originated in a House amendment which was accepted by the Senate. The House committee report comments on the provision as follows:

"The authority given the Secretary in section 3 of the basic act is left unchanged. Section 3 includes authority to (1) conduct onsite inspections of promising projects, domestic and foreign; (2) foster and participate in international conferences relating to saline water conversion; and (3) cooperate fully with the Department of State. The committee considers that section 3 provides the authority necessary to inspect foreign projects and exchange technical information with foreign countries in order that the United States may be kept fully abreast of all progress in this field. Also, there is no intention of prohibiting foreign firms or individual scientists from participating in the research program authorized by section 3 of the basic act."

The Department, in its letter of January 15, 1969, transmitting the draft bill states as follows:

"The language of section 8, however, appears to bar even the activities under section 3 described in the committee report, to the extent that they require the expenditure of funds appropriated pursuant to the act. We believe the existing language in section 8 is not reconcilable with the legislative history in this regard. Consequently, it would be appropriate to further amend section 8 to insure that the intention of Congress, as expressed in the House report, is carried out."

The committee believes that the amendment proposed by the Department is unnecessarily broad, however, and that the more limited language of the committee amendment will serve to resolve any conflict which may exist between the statutory language and the legislative history of Public Law 90-297.

The committee amendment would not accomplish the objective of the Department's bill to eliminate the termination date of fiscal year 1972 for the saline water conversion program.

COMMITTEE RECOMMENDATION

The Interior and Insular Affairs Committee recommends that S. 1011, as amended, be enacted.

EXTENSION OF TIME FOR FILING FINAL REPORTS UNDER THE CORRECTIONAL REHABILITATION STUDY ACT OF 1965

The bill (H.R. 8438) to extend the time for filing final reports under the Correctional Rehabilitation Study Act of 1965 until July 31, 1969, was announced as next in order.

Mr. YARBOROUGH. Mr. President, I support the bill H.R. 8438, reported without amendment by the House Committee on Education and Labor, which extends the time for filing final reports required by the Correctional Rehabilitation Study Act of 1965 until July 31, 1969. This is an extension of 4 months from the original date of completion, March 31, 1969, that was required by the act.

The study called for by the act is being conducted by the Joint Commission on Correctional Manpower and Training and deals with one of the serious problems of our day: how to secure enough trained men and women to bring about the rehabilitation of offenders through our correctional systems and thus prevent further delinquency and crime.

A fire destroyed Commission office files and working materials, and the death of a key employee of the Joint Commission are the principal reasons necessitating additional time to complete the study.

No additional funds are needed to complete the study. Funds already appropriated for the use of the Joint Commission are available to complete the final report during the additional 4-month period.

The bill was considered, ordered to a third reading, was read the third time, and passed.

CHENG-HUAI LI

The bill (S. 348) for the relief of Cheng-huai Li was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Cheng-huai Li shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 7, 1962.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report No. 91–101, explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Cheng-Huai Li as of July 7, 1962, thus enabling him to file petition for naturalization.

STATEMENT OF FACTS

The beneficiary of the bill is a 41-year-old native and citizen of China who last entered the United States on July 7, 1962, as a student. He is a graduate of the Republic of China Naval Academy and holds an M.S. degree from MIT. He resides in Washington, D.C., where he is employed as a naval architect by the Naval Engineering Center, U.S. Navy. He was previously in the United States from October 1953 to February 1954 as a member of the Chinese Navy for the purpose of receiving training. His status was adjusted to permanent residence on August 1, 1966, on the basis of an approved third preference petition. He desires U.S. citizenship in order to obtain security clearance which will enable him to use his technical skills and knowledge in work areas restricted to U.S. citizens.

KOON CHEW HO

The bill (S. 628) for the relief of Koon Chew Ho was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Ho Yee, a deceased United States citizen, shall be deemed to have resided in the United States prior to July 9, 1913, within the meaning of section 1993 of the Act of February 10, 1855 (Rev. Stat. 1878).

SEC. 2. For the purposes of the said Act, Koon Chew Ho shall be held and considered to be the natural-born son of the said Ho Yee, and shall be further held and considered to have been a United States citizen at all times since July 9, 1913: *Provided,* That the said Koon Chew Ho enters the United States for permanent residence within one year after the date of the enactment of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–102), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to enable Koon Chew Ho, the son of a deceased U.S. citizen, to assume his status as a U.S. citizen based upon his father's residence in the United States prior to July 9, 1913, the date of Koon Chew Ho's birth.

STATEMENT OF FACTS

The beneficiary of the bill is a 55-year-old native of China, who claims U.S. citizenship as the son of a U.S. citizen who resided in this country prior to his birth on July 9, 1913. The beneficiary's father was allegedly born on September 15, 1891, in Honolulu, Hawaii. He departed to China in 1902 and returned to Honolulu in 1923, where he resided until 1946. He then returned to Hong Kong, where he died in 1948. The beneficiary's brother entered the United States in 1924, as the son of a U.S. citizen and in 1952, he was issued a certificate of derivative citizenship. The beneficiary is a self-employed merchant in Hong Kong and a leading businessman in that community. The beneficiary's brother is manager of an importing firm in Honolulu. The beneficiary, in assuming his U.S. citizenship, would contribute much to the American business community with his varied background and interests.

ERNESTO ALUNDAY

The bill (S. 648) for the relief of Ernesto Alunday was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 203(a)(1) and 204 of the Immigration and Nationality Act, Ernesto Alunday shall be held and considered to be the natural-born alien son of Teodoro A. Alunday, a citizen of the United States: *Provided,* That no natural parent or brothers or sisters of the beneficiary, by virtue of such relationship, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–103), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to qualify for first preference status as the unmarried son of a citizen of the United States.

STATEMENT OF FACTS

The beneficiary of the bill is a 27-year-old native and citizen of the Philippines, who was adopted there by his uncle on January 15, 1953. He presently resides in the Philippines with his sister. His adoptive father is a U.S. citizen who resides in Los Angeles, Calif., with his wife and daughter. Information is to the effect that he is financially able to provide for him.

VICTOR ABADI

The bill (S. 927) for the relief of Victor Abadi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Victor Abadi may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that no period of residence or physical presence within the United States or any State shall be required, in addition to his residence and physical presence within the United States since October 1, 1960.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–104), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. RICHARD FRANCIS POWER

The bill (S. 1016) for the relief of Dr. Richard Francis Power was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1016

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Richard Francis Power shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 24, 1960, and the period of time he has resided in the United States since that date shall be held and considered to meet the residence and physical presence requirements of section 316 of such Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–105), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. ANGEL SOLAR

The bill (S. 1049) for the relief of Dr. Angel Solar was considered, ordered to

be engrossed for a third reading, read the third time, and passed, as follows:

S. 1049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Angel Solar shall be held to have been lawfully admitted to the United States for permanent residence as of May 21, 1963.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–106), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Dr. Angel Solar as of May 21, 1963, thus enabling him to file a petition for naturalization.

WONG WAH SIN

The bill (S. 1120) for the relief of Wong Wah Sin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, notwithstanding the provision of section 212(a)(19) of the Immigration and Nationality Act, Wong Wah Sin may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–107), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provision of existing law relating to one who has sought to procure a visa by misrepresenting a material fact in behalf of the son of a U.S. citizen.

AH MEE LOCKE

The bill (S. 1123) for the relief of Ah Mee Locke was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ah Mee Locke, the widow of the late Loy Hepp Locke, a citizen of the United States, shall be held and considered to be an alien eligible for immediate relative status under the provisions of section 201(b), and the provisions of section 204 of such Act shall not be applicable in this case.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–108), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of an immediate relative to Ah Mee Locke which is the status she would be entitled to were it not for the death of her husband, a citizen of the United States.

SEIN LIN

The Senate proceeded to consider the bill (S. 301) for the relief of Sein Lin which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after "1960" strike out the comma and "upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available." so as to make the bill read:

S. 301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Sein Lin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of May 24, 1960.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91–109), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with established precedents.

NORIKO SUSAN DUKE

The Senate proceeded to consider the bill (S. 537) for the relief of Noriko Susan Duke (Nakano) which had been reported from the Committee on the Judiciary, with an amendment, strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Noriko Susan Duke (Nakano) shall be held and considered to be within the purview of section 323(c) of such Act.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report No. 91–110, explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary's adoptive parents to file a petition for naturalization in her behalf. The purpose of the amendment is to delete reference to the first section of the bill because it is no longer necessary.

CHARLES RICHARD SCOTT

The Senate proceeded to consider the bill (S. 672) for the relief of Charles Richard Scott which had been reported from the Committee on the Judiciary, with an amendment, strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, section 204(c), relating to the number of petitions which may be approved in behalf of adopted children, shall be inapplicable in the case of a petition filed in behalf of Charles Richard Scott by Mr. and Mrs. Denny F. Scott, citizens of the United States: *Provided,* That no brothers or sisters of the beneficiary shall thereafter, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report No. 99–111, explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the entry into the United States in an immediate relative status of an orphan to be adopted by citizens of the United States, notwithstanding the fact that the prospective adoptive parents have previously had the maximum number of petitions approved. The bill has been amended in accordance with established precedents.

JOHN ANTHONY BACSALMASSY

The Senate proceeded to consider the bill (S. 958) for the relief of John Anthony Bacsalmassy which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the word "of" strike out "September 17, 1962." and insert "September 19, 1959, and the periods of time he has resided in the United States since that date shall be held and considered to meet the residence and physical presence requirements of section 316 of the said Act."; so as to make the bill read:

S. 958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, John Anthony Bacsalmassy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 19, 1959, and the periods of time he has resided in the United States since that date shall be held and considered to meet the residence and physical presence requirements of section 316 of the said Act.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report, No. 91–112, explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with established precedents and to reflect the proper date upon which he first entered the United States as a student.

THE CARL HAYDEN PROJECT

The joint resolution (S.J. Res. 28) providing for renaming the central Arizona project as the Carl Hayden project was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 28

Whereas Carl Hayden has served with distinction in the United States Congress for the unsurpassed period of fifty-seven years, including forty-two years of consecutive service in the Senate of the United States; and

Whereas Carl Hayden has dedicated his lifework to public service, having been elected treasurer of Maricopa County, Arizona, in 1904 and sheriff of such county in 1906 and 1908, and having served as a Member of Congress from the State of Arizona since its admission into the Union, first as a Member of the House of Representatives from February 19, 1912, to March 3, 1927, and then as a Member of the Senate from March 4, 1927, to January 3, 1969; and

Whereas, as the result of his vision and ability, and his unrelenting efforts for a period of two decades in participation with the other members of Congress from Arizona, Carl Hayden was successful in bringing about the enactment in 1968 of legislation authorizing the Central Arizona Project; and

Whereas it is fitting and proper that a suitable monument be dedicated in tribute to Carl Hayden and in recognition of his unique contributions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Colorado River Basin Project Act is amended by striking out "Central Arizona Project" at each place that it appears in such Act and inserting in lieu thereof at each such place the following: "Carl Hayden Project".

SEC. 2. In addition to the amendments made by the first section of this joint resolution, any designation or reference to the Central Arizona Project (described by section 301 of the Colorado River Basin Project Act) in any other law, map, regulation, document, record, or other paper of the United States shall be held to designate or refer to such project as the "Carl Hayden Project".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report No. 91–113, explaining the purposes of the resolution.

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

PURPOSE OF JOINT RESOLUTION

The purpose of Senate Joint Resolution 28 is to provide a lasting, living monument to one of the greatest of America's legislative statesmen during the middle half of the 20th century. The measure would accomplish this purpose by amending the Colorado River Basin Project Act (Public Law 90–537; 82 Stat. 885) to provide that the vast "Central Arizona Project", which is the heart of this far-reaching legislation, shall be known as the "Carl Hayden Project." As passed by the Senate on August 7, 1967, the bill that became the Colorado River Basin Project Act, S. 1004, 90th Congress, which was sponsored by Senator Hayden, was titled the "Central Arizona Project Act." This project will bring lifegiving Colorado River water to the arid central part of Arizona where water is in desperately short supply even for the domestic needs of its burgeoning population. Senator Hayden dedicated himself over long years to the project giving unstintingly of himself, his time, and his effort.

The law as finally passed is truly a monument to his career in the Congress of the United States, which spanned an unsurpassed 57-year period, including 42 years of consecutive service in the Senate.

SENATOR CARL HAYDEN

Carl Hayden was born in what was then Hayden's Ferry, Ariz., which had been established by his frontiersman father, Judge Charles T. Hayden, a Connecticut Yankee schoolteacher who followed the famed admonition: "Go West, Young Man." At the time the son was born, the population of the United States was but a quarter of its present figure. The War Between the States was a recent memory. The Spanish-American War, World Wars I and II, the cold war with its Koreas and Vietnams were still ahead. The first gasoline engine hadn't turned, the first electric streetcar hadn't moved, the first airplane hadn't flown, motion pictures, radio and television were yet to be experienced. Arizona itself was not to become a State for some 30 years plus.

The young frontiersman, who had been elected sheriff of Maricopa County in 1906, became Arizona's first Congressman upon statehood in 1912, was reelected to seven succeeding Congresses, elected to the Senate in 1926, and reelected six times. He retired at the end of the 90th Congress, at the age of 92. He had been chairman of the Appropriations Committee, and as such was one of the most powerful men in the Senate. He also was one of the most beloved, being known as "the Senators' Senator."

The Central Arizona Project was not by any means the only monumental legislation crowning his long career. The Hayden record shows that he was the sponsor in 1919 of the 19th amendment to the Constitution, extending the right of suffrage to women; that he sponsored and managed the bill establishing the Grand Canyon National Park, and that he was a pioneer in establishing the interstate highway system, among other far-sighted legislation.

COMMITTEE RECOMMENDATION

The members of the Senate Interior Committee, of which Carl Hayden was a member, unanimously urge prompt approval of S.J. Res. 28. No expenditure of Federal funds is in any way involved, and the name of Carl Hayden Project on the great water works for the State he served so long and so well will be a fitting, well-merited monument to a very great legislative statesman.

REPORT ON THE FIELD TRIP TO FLORIDA BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Mr. HOLLAND. Mr. President, I should like to have the opportunity to reply to the Senator from South Dakota who has spoken earlier on the report of the Select Committee on Nutrition and Human Needs field trip to Florida.

I want to say to my good friend from South Dakota that I appreciate his courtesy in sending me, last Friday afternoon, a copy of his proposed remarks relative to the recent hearings held in Immokalee, Fla., among other places.

I have had an opportunity to see the speech briefly this morning. I spent the weekend in Florida, too. Even Florida people like to go to Florida in the wintertime, just as my friend from South Dakota and his committee chose to go down there to enjoy a few days.

I noticed two completely inaccurate figures in his statement about his trip to Immokalee that I should like to advise my friend about.

He declares, for instance, in his statement, that Collier County people—speaking about their willingness to take care of their own—include 22,000 Collier migrants who harvest Collier's $40 million in farm produce.

Twenty-two thousand is just about 10 times too many. I hold in my hand the official report of the Florida State Employment Service, which is a cooperative service of the Federal Government and the State, showing the figures both of intrastate and interstate—which would be the migrants—on farm labor employed last year, 1968—and this year is not greatly different—and I ask unanimous consent to have it printed in the RECORD in full at this time.

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

NUMBER OF MIGRATORY WORKERS EMPLOYED IN AGRICULTURAL REPORTING AREAS COVERING THE 9TH CONGRESSIONAL DISTRICT OF FLORIDA, 1968

Reporting date [1]	Lake Okeechobee [2]			Lower west coast [3]			Central Ridge [4]		
	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate
January	4,200	1,100	3,100	4,225	1,625	2,600	8,858	1,615	7,243
February	4,400	1,100	3,300	5,135	2,585	2,550	9,027	1,475	7,552
March	4,500	1,100	3,400	5,117	2,517	2,600	6,423	1,455	4,968
April	4,000	1,200	2,800	5,355	2,205	3,150	6,693	1,416	5,277
May	1,300	400	900	8,550	4,950	3,600	7,906	1,880	6,026
June	50	50	0	1,520	1,005	515	5,072	1,530	3,542
July	0	0	0	70	50	20	1,378	285	1,093
August	0	0	0	90	65	25	300	150	150
September	0	0	0	265	95	170	200	100	100
October	1,900	500	1,400	1,640	290	1,350	280	100	180
November	3,400	900	2,500	4,440	1,340	3,100	2,320	500	1,820
December	3,800	500	3,300	4,515	915	3,600	5,428	1,400	4,028

[1] Midmonth employment.
[2] Includes Broward, Glades, and Palm Beach Counties.
[3] Includes Charlotte, Collier, De Soto, Hendry (west), Lee, Manatee, and Sarasota Counties.
[4] Includes Brevard, Hardee, Hernando, Highlands, Hillsboro, Indian River, Lake, Martin, Okeechobee, Orange, Osceola, Pasco, Pinellas, Polk, St. Lucie, Seminole, Sumter, and Volusia Counties.

Source: In-season farm labor reports, Florida State Employment Service.

Mr. HOLLAND. Mr. President, this statement covers not the whole State but does cover in one of its compilations—compilation No. 2—the lower west coast—and does cover Collier County, Charlotte, De Soto, Hendry, Lee, Manatee, and Sarasota Counties.

Those figures show clearly that the number of migrant laborers in each month of the year, 1968, as computed and as shown, would not even begin to approach for that whole area of seven counties the figure mentioned by my good friend from South Dakota.

For instance, in January of 1968, the total number for those seven counties of migrant laborers was 2,600. That is an official figure compiled by the Florida State Employment Service.

Surely someone has misled the Senator from South Dakota in stating to him that there were 22,000 Collier migrants who harvested their crops.

Mr. President, the second part of his statement is obviously completely out of accord with the facts, his statement that there are 4,000—if I may have the attention of my distinguished friend, because I am trying to save him from getting into very grave error which I think he will regret later—in trying to state the situation in Collier County, he states that between 4,000 and 5,000 destitute families are in Collier County.

In the first place, there is no such number of destitute families in Collier County. That number of families would very nearly embrace the population of the county, which was 15,600 in 1960 and which is now somewhere between 25,000 and 30,000, of whom the major portion live in Naples, and are anything but destitute people.

The idea of there being 4,000 or 5,000 destitute families in Collier County is an enormity. I know my distinguished friend has been misled by somebody who told him about those figures, when those figures are completely out of accord with the possible facts.

Collier County is a progressive and prosperous county. The actual residents there could not possibly come under the classification of destitute people. I happen to have known it ever since shortly after World War I. I have visited there repeatedly. I know well of the quality of the Collier County residents. I am talking about residents there. The idea of there being 4,000 or 5,000 destitute families there, when there may have been merely 2,000 or 3,000 migrants there at one time, many of whom do not bring their families, and those who do are not all destitute, is so far from any possible facts that I wanted to call it to the attention of my distinguished friend while he was on the floor.

I hope he will be more careful in stating the result of his various hearings, both the ones he has already held and the ones in the future, and in stating as facts things that simply cannot be facts.

I am talking about something I know something about, because ever since about 1922 a group of friends in my hometown, who like to hunt and fish, have made Immokalee their headquarters. "Immokalee" means "our home." That is a Seminole Indian word. When we first used to go there, there were few there but Indians. I remember meeting there, at the Episcopal chapel, Deaconess Bedell, who gave such wonderful service to the Indians at Immokalee. I have been there from that time until now. The people who have lived there all these years are very fine people. I know many of the families there.

I am perfectly willing for any facts to appear in the RECORD which relate accurately to the situation either there or anywhere else in Florida, but I would not like my friend to be misled on the numbers involved. There have never been 22,000 migrants in Collier County or in any other similar county of Florida, unless it was Dade County. There are not 4,000 or 5,000 destitute families in Collier County, because there are no destitute families among the resident part of the population there.

I could go a great deal further into the matter, because I not only know the area; I know the families who have been there a while and others that have moved there since. I was there between Christmas and New Years and had a considerable chance to visit with some of those old families.

I am just giving this word of caution because I think someone appearing before the Senator's able committee has given figures so extravagant and completely out of line with the facts that I would want him to know that is the case.

I have gone to the trouble this morning of obtaining the latest estimates of the population of Collier County, which goes up to about 30,000 in the census, and half of the population or more lives in the Naples area. There are other towns, if I can give some of them, besides Immokalee—each of which I happen to know, because I am an avid hunter as well as fisherman, and because this is an active area for that. Collier City, Marco, Goodland, Everglades City, and others which I can mention, are in that county, in addition to Immokalee and Naples—Naples, of course, being the metropolis of the whole area.

Without questioning at all either the sincerity or the effort to state the facts of the Senator from South Dakota, I simply want the record to show that someone has misinformed him completely as to the number of migrants there in the first place and as to the possible number of destitute families who are there, because the figures are so thoroughly out of accord with the actual facts in Collier County.

Mr. McGOVERN. Mr. President, first of all, I want to say to the Senator from Florida—and I know he understands this—that we did not go to Florida to get a general appraisal of all the virtues and weaknesses of the State, but to look at a specific problem, and that is the problem of hungry people in that State. We started our appearance there with statements to the press and to everyone we could get to listen that we were not singling out Florida on any assumption that it had the worst problem in the country. We had plans to go into every area in the country and go into hearings on hunger there.

The New York Times has an article about a survey in New York City, in which early indications are that problems of very serious malnutrition will be found. We have it in my State, particularly among the Sioux Indians, and we will be going into those areas.

But as to the statistics contained in the report I filed today, there was not a statistic that was not the result of testimony that was taken or official local or State reports. We took the statements of the local people, such as county commissioners, State officials, and others.

I would like to suggest there may be one area of confusion when the Senator speaks of the number of migrant workers. We are using figures representing families as well as workers. We found families with eight or nine or 10 children that might be included in the labor statistics the Senator has referred to as one single person—the father of that family, for example. But the figure of 22,000 for Collier County was the figure—and I think the Senator from New York will verify this, if he recalls the testimony—that was used by persons who came before the committee, indicating that, at the peak of the season, that was approximately the migrant population.

The 22,000 figure was cited by our first witness, Mr. T. Michael Foster. He said at page 26 of our transcript that the entire migrant population of Collier County is estimated by the county's migrant health project to be "22,000 persons during fiscal year 1968."

The figure he cited was taken from "Florida Migrant Health Project Report, 1967–1968," by the Florida State Board of Health in cooperation with the U.S. Public Health Service.

In the Immokalee area alone, the president of the chamber of commerce testified that the peak migrant population was as high as 12,000. That appears at page 152 of our transcript.

He also said that the day the committee was in Immokalee there were approximately 4,000 migrant workers there.

There may be one other area that explains the Senator's somewhat lower figure, and that is that some local officials who testified before the committee said "These people are not residents." One county commissioner, as I remember, said, "They are not Collier people. They are not even Florida people. They are Federal people." That was the statement made. He did not recognize them as residents or citizens or as their having any responsibility at all on the part of the county or his State.

The figure of 4,000 to 5,000 destitute people is the estimate of Mr. E. Lee McCubbin, the commodity distribution director from the State capital, of how many people he thought there were in Collier County, that should be fed by a commodity program in that county.

That being the case, I can only say to the Senator, if these statistics are wrong, it is not because of a lack of effort by our committee to get an accurate picture. We queried witnesses over 2 long days of intensive committee hearings, and we took the word of the local officials on these estimates. They are not guesses on our part. Every one of those statistics ap-

pears not once, but several times, in the testimony taken by our committee. Now, if they are wrong, we will certainly correct the record, but they stand, as far as I am concerned, at this point, as a result of the very careful hearings of 2 days.

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

Mr. McGOVERN. I yield.

Mr. HOLLAND. I have already said in my remarks that I did not question either the intentions of the Senator or the fact that he must have been informed of those figures by somebody else. I am just saying that those figures are not right; that they are incorrect; and the Senator might as well start in this period of investigations—which I hope he will continue—with the understanding that the people who are most interested in these causes of discovering malnutrition, and calling it hunger, and discovering perhaps a few hundred people, and calling them many thousand, are not going to give the actual figures.

I have put in the RECORD already the official figures on migrant workers, not just in Collier County but in the seven counties. I think Collier County had the most of any, but all of them had some.

Mr. McGOVERN. Mr. President, will the Senator permit me to question him on that point?

Mr. HOLLAND. I shall in a moment. I have put in the figures for January of 1968 and for every month thereafter. The Senator will see that the largest number in any month was 3,600 in the whole seven counties. That is the workers, now, the migrant workers. The statement that this does not include the 22,000 migrants who harvest Collier's farm crops simply cannot help but be grossly exaggerated, regardless of who gave the figures; and it is to that fact that I am calling attention.

I do not question the Senator's objectivity. I do not question his kindness nor his sense of charity. Everyone knows he is an evangelist, and I am glad that we have two or three evangelists in the Senate.

Mr. McGOVERN. I think we have more than that.

Mr. HOLLAND. But the fact of the matter is that the figures are just inaccurate, and I know something about it, because this has been one of my own stamping grounds for many years, and I know all of the old families there and many of the newer ones. The idea of there being 4,000 or 5,000 destitute families there, when, to the contrary, there could not be half that many of migrant workers all told, at that time or in any 1 month, in that particular county, is also not in accord with the facts.

I do not mean by that that the testimony was not given, because I am sure it must have been, or the Senator from South Dakota would not have so reported it. I have never known the Senator to misstate anything on the floor of the Senate, and I do not ever expect him to, and I have made that very clear. I am simply calling his attention to the fact that someone has led him down an alley here, which does not lead to a sound conclusion, because it does not give the proper facts. I hope the Senator will appreciate that, because that is the point of view from which I have made this statement.

I have not tried to give him any general answer to his hearings, although I have a great deal of material that might be brought into the matter later. But on these two figures, I know the situation well, and since the hearings—as a matter of fact, only over the weekend—I called in to obtain, not from the witnesses the Senator talked to, but from the most credible sources in Collier County and the most credible sources at the capital, the true information, and I have already placed in the RECORD information upon which the Senator can rely as to the number of migrant workers in the three groups of counties.

One of those groups contains Collier County, and the three groups are the counties named in the list; it does not cover the whole State.

Mr. McGOVERN. Mr. President, would not the Senator agree that there could be a difference based on the criteria that he has used?

When we talk about migrant workers, that is a different matter than talking about the migrant population, which includes the children, the mothers, the boys and girls, and the whole families. I think that may be one discrepancy that exists between the figures the Senator is using and the ones I am using.

When we talk about a hungry person, it does not make any difference whether it is an adult or a 6-month-old infant, though the latter certainly cannot be classified as a worker.

Mr. HOLLAND. The Senator's words, in his statement, are as follows:

> . . . does not include the 22,000 Collier migrants who harvest Collier's $40 million farm crops.

There never has been any such number of migrants who harvested Collier County's farm crops. To the contrary, the official figures show that in the seven counties of which Collier County is a part, in January of 1968, there was about a tenth that number of actual migrant workers, and that in the maximum month in 1968, the population of migrant workers in those seven counties was 3,600.

So there is a discrepancy, but it is not in what the Senator from Florida has said; it is in the wording of the statement of the Senator from South Dakota; and it is that to which I am calling his attention.

Mr. McGOVERN. I think the 22,000 figure will have to stand, on the basis of our hearings, but it may be that the Senator has a point, that that ought to be worded so as to make it very clear that it includes the children of migrant workers, the wives, and the elderly who are unable to work.

In other words, it embraces the entire migrant worker population, including those who actually labor in the fields, the children, and those who are unable to work.

Mr. HOLLAND. Mr. President, if the Senator will yield further, the office at Tallahassee has just completed the compilation for January for all counties in the vegetable growing areas of the State. It shows that in January of this year, there were 2,628 in Collier County, in February, there were 2,902, and in March there were 2,799. I believe the hearing was held in late February, was it not?

Mr. McGOVERN. It was in March.

Mr. HOLLAND. Early March?

Mr. McGOVERN. Yes.

Mr. HOLLAND. Well, the number could not have changed greatly.

Mr. McGOVERN. The 22,000 is a peak figure.

Mr. HOLLAND. So when you come to compare that figure, or rather contrast it, with the 22,000 reported in the Senator's statement, you can see there is gross exaggeration in the figures given to the Senator by somebody who testified before his committee, because I am sure he used figures that were given to him.

SENATOR JAVITS REMARKS ON FLORIDA FIELD HEARING

Mr. JAVITS. Mr. President, I apologize to my colleague Senator McGOVERN, the chairman of the Select Committee on Nutrition and Human Needs. I was attending a luncheon for the Prime Minister of Canada and asked to be excused before his address because I was anxious to come to the floor to discuss this matter.

As the ranking minority member of the committee, and because I was in Collier County with Senator McGOVERN, I can certainly verify the fact that the witnesses who should have known the facts, the county officials, testified that there were 22,000 migrant workers—not families, but workers—at the peak of the season.

The officials indicated that this large migrant population was responsible for county agricultural sales amounting to $40 million last year. Mr. President, I am sure that we will be able to ascertain how the State arrived at the figures to which the Senator from Florida has referred and I am certain that the Senator from South Dakota, or I, will insert them in the RECORD precisely as they were derived. The same procedure will be followed for the figures reported by the committee's witnesses to whom Senator McGOVERN referred earlier. By so doing, I am confident that any discrepancy will be clarified. However, and because of the circumstances, I must view the committee's figures as being factual and representative of the situation until such time as there is definite evidence to the contrary.

Mr. President, I think it is most important that we do not defy the evidence as seen through our own eyes. Whatever the number—and committee witnesses stated the figure at 22,000—it is capable of being defined in terms of the production of vegetables, fruits, and other produce. This is what the witnesses were referring to—the labor force and its circumstance of being.

Our visible evidence was of malnutrition amounting to hunger, and the philosophy of the county officials supported that situation, as the Senator from South Dakota has stated. They spoke of "Federal people," and that the Federal Government is not taking care of the people—the migrants—who are responsible

in great measure for the agricultural production, sales and wealth of the county.

I challenged the officials on their attitudes and by stating that here I am not repeating anything that was not stated to them in person. But notwithstanding the migratory workers' enormous contribution to the county's economy, the officials said they were "Federal people," and that they—the officials—were really not responsible for them. They further said that if the Federal Government wanted to give the migrants free food stamps, it was someone else's job and not theirs.

They came before the committee with the philosophy that migrants were going to be paid for what they produced, and that the county had no further responsibility to them. This was not all. The county officials further testified that their philosophy was that the only way they were going to get migrants to work in the fields was by operating with a "No work, no eat philosophy." This is what it really amounted to and in those primitive terms.

Mr. President, most important for us, because it has so shocked the conscience of this country, is not how many people are involved, but the extent to which the problem exist at all? I am convinced that it does exist. I am also convinced that it exists not only in Immokalee but throughout the country, including my own State of New York. For this reason, I organized a statewide committee composed of the deans of the 12 medical schools in the State of New York to investigate the extent of malnutrition and hunger. The New York Times this morning says there are hungry people in the city of New York. I do not dispute this. I do not know. I shall be shocked and saddened if it is so, just as any Senator would.

I can understand perfectly how the Senator from Florida feels. Nevertheless, the problem exists. This is something, previously unknown, that has been uncovered by the struggle against poverty.

If anything will spring us to the kind and scale of action that ought to be, it will be this specter: that there is actually such malnutrition in our country as to amount to hunger, not in one place but in many and perhaps even in our biggest cities with the best welfare programs.

Mr. President, I value, of course, whatever any Senator may say about his own State, attempting to clarify the facts and determine the magnitude of the problem. However, I rise today in an effort to point out that whatever our experience may have been, it does not diminish our responsibility nor the impact of the problem upon us.

I have been in this very struggle for a long time as a member of the Committee on Labor and Public Welfare. I was involved in the matter before this phase began. There is movement, and there will have to be more.

There is nothing sacrosanct about food stamps. They may have to be given free to the poorest of the poor, because food stamps are a very effective way to get food distributed.

We must all resolve—whether it is 2,700 migrants as the Senator from Florida (Mr. HOLLAND) says, or 22,000 as we and the county officials say—that something must be done about it

We actually saw women with children who had no other means of subsistence except to go out on the farms and work. One woman told us that if she did not work—and she, though unmarried, had several children—she did not know where, using her words, she "could have somebody help" her out

Even the doctor in the community who operated the local health clinic—although he was only one man and had only one helper—said that even by prescription he could not do very much. He felt that if any county should have had a case of starvation called to its attention that that county would find a way to relieve the situation. He said that Collier County had allocated $7,500 of the budget for food assistance.

If the figures are remotely correct—2,700, let alone 22,000—that is a very small and sorry figure.

I have explained the philosophy involved. Whatever the right figure may be, this situation should not exist in our country. We must undertake a solemn resolution to deal with the situation in whatever form we have to deal with it, whether by an amendment to the law dealing with food stamps and the distribution of food or money, or some other way. We will do whatever we must do.

Then the work of the committee will have been a blessing. The committee is limited. It must develop these facts all over the country.

Mr. HOLLAND. Mr. President, of course the Senator from New York is used to dealing in large numbers. When he talks about malnutrition in his own city, he could easily talk about thousands and maybe many thousands. When we get into a rural county, however, where there is a small vegetable industry and a sizable cattle industry, using the figures in the statement, it is so out of proportion that I thought it my duty to call the matter to the attention of the Senator from South Dakota.

My friends who are so dedicated to this committee work are like others who are trying to solve the problem. It is primarily a problem of malnutrition rather than of hunger.

Last November Secretary of Agriculture Freeman came to me and asked to have relief funds from section 32, which is a very dear section to me, to set up a group of 5,000 paid workers to learn something about nutrition and then to circulate in the more poverty stricken areas, both of the cities and of the country.

They are working and have been working on this subject. And I think that the real answer to the problem is going to be one of education as to what is sound nutrition.

Although I did not attend the hearings because I had hearings of my own here, I found in the papers repeated statements as to the fact that some of these migrants were eating nothing but beans and grits and fatback. There are many thousands of people that have been living on just that kind of food. It may not be a very balanced diet and, as far as I am concerned, I probably would not live very long on it alone. I have probably eaten more grits than any three other Members of the Senate. It has not done me any harm.

The fact is that the people do not know what a balanced diet is. The real job is to let them know what it is.

I make the point that last fall the Department of Agriculture began a program. The testimony is that there were 5,000 of these workers, and quite a number of them were in two counties in South Carolina, where free food stamps were available.

The present Secretary of Agriculture came to me as the chairman of the Agricultural Subcommittee on Appropriations and asked me to help because something needed to be done to make available free food stamps to the very deprived people in those two counties. I did so. Yet I did so reluctantly, because I think that the mere ability to purchase does little good in providing a balanced food diet if the people who are doing the purchasing would rather have something that is not nutritious and is not balanced and insisted on buying that.

The real answer is, of course, in a better dissemination of the information long spread by the domestic science agents in every county in my region, and I assume by the workers in most counties of the Nation as to how family heads can best feed their families.

So far as I am concerned, to talk about malnutrition makes sense to me. But when we talk about hunger in an area where, so far as residents are concerned, there was never any hunger to exist, and I do not think there ever will be, that is quite a different thing.

The only purpose for my speaking this afternoon is that I do not want the figures placed in the RECORD by the Senator from South Dakota, to go unchallenged, of 22,000 migrant workers in Collier County, when there has never been that many there. Collier County has never had that many migrants. Someone has misinformed the Senator. I do not want to have that figure go into the RECORD unchallenged.

Neither are there 4,000 to 5,000 destitute families. That number of destitute families would make up more than half the population of the county; and, incidentally, more than half the population of the county lives in the opulent end, in and around Naples.

I felt that I should communicate these facts to the Senate. I am not ready to discuss the greater issues until I find out in which direction the committee wants to go. But I am not going to support any program that will make the food stamp program a free stamp program or a general welfare program, because that was never the purpose of it.

I agree with Representative SULLIVAN, who has been the head of the movement in the House and who believes that to put the program on that sort of basis would simply wreck it. I have not seen the Senator's bill; he introduced it only today. I hope we can work out good legislation, but I do not want it to be, and I hope and believe it will not be, by way of making food stamps free to any large seg-

ment of people, or to place the program in the control of anybody who has no knowledge of what is malnutrition and what is sound diet.

Mr. JAVITS. I am sorry, but I cannot accept the fine words of my colleague, the Senator from Florida, about the fact that this is not a balanced diet. I saw these kids, and so did the other members of the committee, and this was not a matter of their having an unbalanced diet. It was a matter of the larder being empty. In many cases, we actually looked into the larder to find out.

I also point out, that one of the figures in this area which is fascinating is the fact that the post-neo-natal mortality rate per thousand live births—that is, deaths from 1 month to 1 year after birth—in respect to this particular area is approximately three times the national average for the United States. For nonwhites it is 14 per thousand live births. For Collier County it is 40 per thousand live births. These are Federal Government statistics and I would like to ask unanimous consent to have these statistics placed in the RECORD.

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

STATISTICAL CHART SUBMITTED BY SENATOR JAVITS

POST NEONATAL MORTALITY RATE[1] PER 1,000 LIVE BIRTHS[2] 1966

COMPARATIVE STATISTICS[2]

	United States	Florida	Collier County
All persons	6.5	8.1	20.3
White	5.0	5.1	15.8
Nonwhite	14.0	15.6	40.8

[1] Deaths from 1 month to 1 year after birth.
[2] All figures taken from "Vital Statistics of the United States—1966," vol. I (natality), vol. II pts. A and B (mortality), U.S. Department of Health, Education, and Welfare, Public Health Service, National Center for Health Statistics.

Mr. JAVITS. I think it is my duty, as it was the duty of the chairman of the committee, to testify to what we saw and heard; and we saw and heard about conditions which are equivalent to hunger, not just an unbalanced diet, in this particular part of the country.

We have seen it before in South Carolina, where a distinguished Senator, Senator HOLLINGS, testified to it himself. We have seen it—that is, a previous subcommittee on which I served with former Senator Clark, Senator MURPHY, and the late Senator Robert Kennedy—in Mississippi, and I feel we have seen it in Florida.

I said before that we may see it in New York. If we do, I will be the first one on the floor of the Senate to inveigh against anyone who is responsible. I do not care who it is or how high an official he may be. I shall do it. I shall not do my best to defend my State in some superficial way if my State has not done what is right.

That is all anybody asks; that is all anybody has a right to ask; and I should think that the people of any State would be proud of the fact that an effort would be made to correct a situation such as that. Conditions such as those described today can only cause the consciences of the people of any State to be deeply disheartened and sickened, that such conditions could exist in our country.

SENATOR JAVITS' STATEMENT ON THE ADMINISTRATION AND HUNGER

I understand that the Senator from South Dakota (Mr. MCGOVERN), said before I arrived in the Chamber that we needed a very massive effort to solve these problems and that he was not satisfied that the administration's reported expenditures in this area were sufficient to meet the needs. That is premature. We do not know what the administration will do. However, I do not mind the injunction on one proviso. I do not think any of us would be so arrogant personally as to assume that the President of the United States or any Senator is less concerned about a matter of this kind than we are.

I feel that when the President does come to a conclusion and lays it before us, he has every right to be challenged. I will join with my colleagues in such a challenge if the President's decision does not meet the needs.

We ought to give the President the benefit of the doubt until such time as he lays a program before us. We should not allow hunger, malnutrition, and their related evils to take second place to money. On that point I agree with the Senator from South Dakota.

I think these conditions exist in many places and States, places in which we never dreamed they existed.

It is deeply shocking to the Nation. It may show us what statements about poverty actually mean as they relate to the action of the administration. Secretary of Agriculture Hardin and Secretary of HEW Finch have done their utmost to move bureaucracy in a way that was never done before.

The problem of hunger and malnutrition is entitled to No. 1 priority in this country. If America can do what needs to be done in matters of defense, then it can afford to do what needs to be done in matters involving malnutrition and hunger.

Mr. President, that is all I have to lay before the Senate

Mr. HOLLAND. The Senator mentioned some vital statistics about the children, their rate of mortality, and so forth.

I was distressed to note, in reading the press accounts of the hearings down there, that this able committee would not even hear the State health officer of the State of Florida.

I want the RECORD to show something about who that officer is, because I brought him to Florida when I was Governor of that State. He was a very highly regarded member of the Public Health Service in Washington. I brought him to Florida because we had as our State health officer a man who was of some age and approaching retirement. Dr. Wilson Sowder became the State health officer of Florida very shortly after that time. He has been a man of great distinction, recognized all over this Nation for what he has done here and for some periods in Latin America, as a matter of fact.

When this committee went down there and declined to hear or allow to be heard the State health officer of Florida, a man of that distinction, on questions which he could have told them the truth, I regretted it exceedingly, and I voice that regret now, because I assume that what this committee wants, and what it should get, is the facts from the best possible sources.

I do not know what their reason was for declining to hear him. The newspaper reports that they did decline to hear him.

I want to make clear that not only do I know Dr. Sowder, but also, I brought him to Florida; and the Public Health Service was very reluctant to let us have him. They let us have him first, as I recall, on a 2- or 3-year-loan basis. Finally, I had to offer to make him the head of our Public Health Service as they would not permit him to stay there longer on a leave basis; and he resigned and came there, to do a magnificent job for our State. I am sorry that my distinguished friends did not see fit to hear him on a subject on which he could have told them more nearly what the facts are in an authoritative way than any of the OEO people and others who appeared before the committee.

Mr. MCGOVERN. The health officer to whom the Senator has referred did submit a statement to our committee, which was incorporated in the committee hearings, and to that extent the press reports were mistaken.

We suggested to the health officer that since we were not on a general investigation of health conditions but were there to look primarily into the problems of nutrition, he send his nutritionist who is attached to the Office of Public Health. With the consent and cooperation of Dr. Sowder, his nutritionist did appear, he did testify, and he brought with him the statement from Dr. Sowder, which he read into the record; and then, for a period of well over an hour, the State nutritionist attached to Dr. Sowder's office fielded questions from all members of the committee.

I found nothing in Dr. Sowder's statement that was at variance with what his nutritionist had to tell us. As a matter of fact, we pressed the interrogation considerably beyond what could have been expected of the committee. We had only two days there, but we did give the Public Health Office a good chance to make their case on this nutritional problem by calling a man in that department who is an expert in that field.

Mr. HOLLAND. My information is that Dr. Sowder sent the committee a wire before the committee left Washington, requesting the right to be heard before the committee, and he was never given that right. Is that correct or incorrect?

Mr. MCGOVERN. What we suggested to him was that we had his nutritionist scheduled to testify and that he was the man who could best give the committee the information we were seeking. But we did accept the doctor's statement, and it became a part of the hearing record. He filed a full statement.

Mr. MONDALE. Mr. President, the distinguished chairman of the Senate Select

Committee on Nutrition and Human Needs (Mr. McGOVERN) has delivered an excellent report on the committee's field investigation in Florida on March 10 and 11, 1969. In support of the report, I ask unanimous consent that a statement which I issued to the press in Minnesota on March 16, 1969, be printed in the RECORD.

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

BACKGROUND STATEMENT

(By Senator WALTER F. MONDALE)

There are times in the life of a public official when he is brought face to face with the shocking reality of hunger and dire poverty. I have just had such an experience in visiting depressed areas of Lee and Collier Counties in Southwest Florida as a member of the Senate's Select Committee on Nutrition and Human Needs.

We saw many who lived in shacks which were unfit for human habitation. We saw children and old people who regularly missed one or two meals a day and who depended on grits and fatback to survive. And we saw people of all ages who were obviously defeated by these conditions.

In the evenings I met privately with migrant workers, who constitute a large segment of the population of Southern Florida. They told me a story of unequalled human misery and despair—of seldom having enough to eat, of seldom knowing where or when their next job would be, of seldom being eligible for community services we take for granted. They are often unable to vote, and rejected by the communities they help make prosperous. To put it very simply, they are treated as less than human beings.

The people I talked with travel the length and breadth of our land in search of jobs. They do not know what it means to have a place to call home, or to have their children enrolled in fewer than 3 or 4 different schools every school year. They are the dispossessed and the disoriented—people who are chasing the American dream, but destroying themselves and their families in the process.

What I saw during the day and what I heard at night had a profound impact on me. But it is the faces of listless and undersized young children that I cannot get out of my mind—faces which stared straight ahead, indicating no comprehension of the world around them. The condition of these children was the vivid and terrible proof of what nutritionists and pediatricians have been telling our Committee for the past several months, i.e., that children who are malnourished suffer irreversible brain damage, as well as injury to the body's tissues.

I could see the result of many years of malnutrition and sordid living conditions in the parents of these children. It is not over-dramatic to characterize their existence as a "shadow-life"—hemmed in by poverty in its most extreme form and yet too weak, too ill, and simply too worn down to press for change.

As a result of this trip, I now know to be true what I had suspected for some time.

To begin with, the effects of hunger and malnutrition are even more severe than the testimony of experts would lead one to believe. I am convinced that malnutrition and primitive living conditions have a direct causal relationship with the "shadow-life" existence of so many of the people we saw.

I am also convinced that the often heard cries that the poor are lazy and that their sole purpose in life is to obtain welfare benefits are among the great myths of our time.

Few people in this country work as hard as the migrants living in Collier County; the work is so difficult that many are physically "washed-out" at the age of 45. And in Lee County, representative of the people I talked with was a sixty-three year old woman who had only recently stopped picking tomatoes because of failing eyesight, despite the fact that she was afflicted with arthritis and varicose veins.

As to the notion that the poor are constantly in search of government handouts, how does one explain the fact that in Lee County, where there is a commodity food program, many of those eligible and in desperate need of food do not participate in the program? Their failure to participate in this program as well as their failure to obtain other welfare benefits for which they were obviously eligible, is certainly inconsistent with the myth.

And finally, I realized the grave harm which results from the Federal Government's failure or inability to provide sufficient food for people when the local government has abdicated its responsibility to do so. Collier County officials have repeatedly refused to participate in the Commodity Program, ignoring their citizens' pleas for participation and ignoring the overwhelming need for such a program. In a county where there are often as many as 22,000 migrants in residence, the attitude of these local officials was best expressed by one Commissioner's assertion that the county had no responsibility for these individuals since they were "federal people."

And even in Lee County, the harsh and restrictive administration of the Commodity Program by the county welfare director has led to a situation where less than 2% of the County's population receive commodity foods, while 32% of the population earns less than $3,000 per year. The officials in this county have repeatedly refused to hire outreach workers or to set up food distribution centers nearer to the depressed areas of the county.

But it would be a mistake to assume that extreme poverty and malnutrition exist only where there are indifferent and disdainful local officials. I am sure that equally intolerable conditions can be found anywhere in the country. I know, for example, that similar conditions exist in Minnesota on some of our Indan reservations and in the ghettos of our cities.

The truth is that we have all failed the poor and hungry in this country, and those of us who are public officials must accept a large share of the blame for this failure. What is even worse is that it is impossible to calculate the damage which has occurred as a result of this failure. For example, while we know that in Collier County 41 out of every 1000 infants die before they are one year old, there is no way to estimate the amount of irreversible brain damage in the children who survive.

As to the federal government's role in eliminating hunger in the United States, I think the following actions must be taken immediately:

1. Free food stamps must be made available to those under the poverty level, as well as to those whose income prevents them from attaining a fully adequate and nutritious diet.

2. A county should be able to participate simultaneously in the food stamp program and the direct food distribution program.

3. The Federal Government should distribute *all* commodities, whether or not in surplus, to supplement the food stamp program.

4. An applicant should be eligible for these programs after submitting an affidavit, with no onerous red tape.

These measures and others are contained in the Domestic Food Assistance Act of 1969, which I re-introduced in this session of Congress. I hope that there will be sufficient public pressure as a result of the Select Committee's investigations to insure passage of this legislation.

In addition, the school lunch program must be expanded to provide every needy child with a free lunch; at the present time the school lunch program reaches less than half of the nation's school children. Even more importantly, the school breakfast program, which has only been established on a pilot basis, must be expanded to reach all children from poor families. Our committee has repeatedly been told that a child's ability to learn is greatly enhanced after he has had a decent breakfast.

And finally, we must devise a food distribution system which will enable pregnant mothers and pre-school age children to have an adequate and nutritious diet. Such a system is absolutely essential, for it is from the pre-natal period to age five that hunger and malnutrition are most devastating to the mental and physical condition of a young child.

S. 1664—INTRODUCTION OF A BILL TO BROADEN THE PRESENT DEFINITION OF BANK HOLDING COMPANIES

Mr. BENNETT. Mr. President, I introduce, on behalf of myself and the Senator from Alabama (Mr. SPARKMAN), a bill to broaden the present definition of bank holding companies, reaffirming a major principle of the U.S. economy—namely, the separation of banking and commerce.

We are witnessing today a clear and present danger both to sound banking practices and to the diversity we have all come to recognize as being basic to the American enterprise system.

Sound banking practices—which have a decided effect on our economic structure—must be preserved. Reasonable, but immediate restraints must be placed on those activities which tend to erode the basic tenents which characterize our economic practices and system.

The dangers we face are the growing number of bank acquisitions by industrial conglomerates and, conversely, the potential for multi-billion-dollar banks to acquire large and diverse nonfinancial businesses.

Although this trend is just emerging, it must be stopped. If permitted to continue, it seems predictable that our economy could shift during the next few years from one where power is now widely dispersed among a vast number and variety of interests, into one dominated by a few large power centers, each comprising a major industrial-financial complex. If this trend goes unchecked, we could witness the insertion of a new word to the American business vocabulary—"zaibatsu," which means, according to one definition, "financial clique."

This bill provides an equitable—although stringent—regulation that is needed to prevent such a concentration. It draws a clear line—and that is what we need now, this year, in 1969—to prevent financially related activities from being drawn under a single roof with commercial and industrial-related activities.

While achievement of that objective would appear to be reasonably simple, it can only be brought about by a quite sophisticated statute. I believe that this bill, developed by all the relevant sections of the executive branch, will effectively separate banking from commerce. At the same time it will give full con-

sideration to the serious questions arising in the antitrust area.

Before describing the legislation, let me briefly develop the history of this problem:

The principles of preserving the watertight door between financial power and industrial-commercial power were laid down in the Bank Act of 1933 and were bolstered in the Bank Holding Company Act of 1956. Private enterprise benefited our banking system.

Since the public interest required that banks be regulated, it followed logically that companies which owned banks be regulated as well. Accordingly, the 1956 act provided for the appropriate regulation of all holding companies that owned 25 percent or more of the stock of two or more banks.

For a decade, this act worked well. It exempted from Federal regulation holding companies that controlled only one bank, since these relatively small one-bank holding companies were a useful device that enabled many medium-sized communities to enjoy progressive banking services.

Mr. President, that pattern is familiar to most of us, I think. In a small community, usually there are one or two families that have the financial capacity to operate a bank, and usually they are related with a local commercial enterprise such as a lumber yard, a hardware store, or a general store. We permit those combinations to exist.

But there were those, as far back as 1956, who held that this one-bank exemption might one day be abused.

President Eisenhower, when he signed the 1956 act, noted that "further attention of the Congress" would be necessary to control activities which he said could result from the "exemptions and special provisions" of the act.

Now is the time for Congress to eliminate those exemptions.

Recent figures show that the one-bank exemption is leading to excessive concentration.

In 1955 there were 117 one-bank holding companies controlling bank deposits of about $12 billion. Within 10 years the number of such companies had grown significantly, to 550. But while this growth had occurred primarily in the form of small companies, the bank deposits figure had risen a total of only $15 billion.

At the end of 1965, the average bank deposit figures for one-bank holding companies were less than $30 million. This supports the congressional view, held only 3 years ago, that the one-bank exemption in the act had not given birth to any dangerous transformation in our economic structure.

However, dramatic changes have occurred during the past year. Taking into account announcements of intention to create one-bank holding companies, the figures at the end of 1968 showed growth to almost 800 companies controlling bank deposits in excess of $100 billion.

There is no doubt that the possibility of financial pressure being brought to bear in this situation exists—and, whether actually exercised or not, the very presence of this potential is harmful to the free enterprise system.

The Bank Holding Company Act of 1969 will rebuild the wall separating diverse economic interests. Under the legislation:

The Bank Holding Company Act of 1956 will be amended to extend Federal regulation of bank holding companies to those companies which control one bank.

All corporations which have affiliated with banks since June 30, 1968, will be required to confine their activities to the financial, fiduciary, or insurance functions specified in the 1956 act.

Activities which are bank related will be decided by a unanimous agreement of the three appropriate bank regulatory agencies, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency.

This latter provision, I believe, is a key element in this legislation.

Under it, the regulatory authorities, in considering whether to approve acquisitions, must consider the factors of competitiveness and public interest. In turn, these characteristics are taken into account by an interagency group, which makes a list defining bank-related activities.

This is a stringent safety valve.

Many bankers are properly worried about the takeover of banks by industrial conglomerates. Many industrialists are equally worried about the domination of huge bank holding companies. The fact is that whoever wins in such a battle, business, as a whole, suffers—with the basic economic structure a certain loser.

The free enterprise system, source of our Nation's strength, must constantly guard against even the potential of economic oligarchy. Financial-industrial power centers should not be permitted to develop. Such domination of the economy must be prevented.

Other bills, on this same subject, have been introduced in the Senate and the House of Representatives.

President Nixon, at an early date of his administration, said this subject was one of the most important facing our economy. He has given his strongest endorsement to this measure.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the statement released by the White House today when the bank holding company legislation was released.

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

THE WHITE HOUSE, *March 24, 1969.*

STATEMENT BY THE PRESIDENT ON BANK HOLDING COMPANIES

The Secretary of the Treasury, with my approval, has today transmitted to the Congress proposed legislation on the further regulation of bank holding companies.

Legislation in this area is important because there has been a disturbing trend in past year toward erosion of the tranditional separation of powers between the suppliers of money—the banks—and the users of money—commerce and industry.

Left unchecked, the trend toward the combining of banking and business could lead to the formation of a relatively small number of power centers dominating the American economy. This must not be permitted to happen; it would be bad for banking, bad for business, and bad for borrowers and consumers.

The strength of our economic system is rooted in diversity and free competition; the strength of our banking system depends largely on its independence. Banking must not dominate commerce or be dominated by it.

To protect competition and the separation of economic powers, I strongly endorse the extension of Federal regulation to one-bank holding companies and urge the Congress to take prompt and appropriate action.

Mr. BENNETT. Mr. President, I believe this legislation is in the best interests of the country, its economy, and our banking system. I urge this Congress to give it speedy and favorable consideration.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD in its entirety and that a brief analysis of the bill and a statement showing changes in existing law made by the proposed bill also be printed in the RECORD.

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

The bill (S. 1664) to broaden the definition of bank holding companies, and for other purposes, introduced by Mr. BENNETT (for himself and Mr. SPARKMAN), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

S. 1664

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 "Bank Holding Company Act of 1969."

SEC. 2. The Bank Holding Company Act of 1956, as amended, is hereby further amended as follows:

(1) Section 2 is amended—

(a) by amending subsection (a) to read as follows:

"(a) 'Bank holding company' means any company (1) that directly or indirectly owns, controls, or holds with power to vote 25 per centum or more of the voting shares of any bank or of a company that is or becomes a bank holding company by virtue of this Act, (2) that controls in any manner the election of a majority of the director of any bank, or (3) that has the power directly or indirectly to direct or cause the direction of the management or policies of any bank; and, for the purposes of this Act, any successor to any such company shall be deemed to be a bank holding company from the date as of which such predecessor company became a bank holding company. Notwithstanding the foregoing, (A) no bank or no company owning or controlling voting shares of a bank shall be a bank holding company by virtue of such bank's ownership or control of shares in a fiduciary of capacity except where such shares are held under a trust that constitutes a company as defined in subsection (b) of this section, or as provided in paragraphs (2) and (3) of subsection (g) of this section, (B) no company shall be a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis, and (C) no company formed for the sole purpose of participating in a proxy solicitation shall be a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation."

(b) by amending subsection (b) by inserting "partnership," immediately after "corpo-

ration," by striking "(1)" and by striking ", or (2) any partnership".

(c) by amending subsection (d) by striking "or" immediately preceding "(2)," and by substituting a semicolon for the period at the end thereof and adding the following:

"or (3) any company, whose management or policies such bank holding company has the power directly or indirectly to cause the direction of or direct.

"'Total banking assets held by its subsidiary banks' as used in subsection (h) of this section shall include assets held by the bank holding company if it is a bank."

(d) by redesignating subsection (h) as subsection (i), and by inserting immediately before it a new subsection to read as follows:

"(h) 'Appropriate banking agency' means

(1) The Comptroller of the Currency with respect to any bank holding company of which the total banking assets held by its subsidiary banks which are national banks or district banks exceed the total banking assets held by its subsidiary banks which are State-chartered members of the Federal Reserve System and exceed the total banking assets held by its subsidiary banks which are not members of the Federal Reserve System;

(2) The Federal Deposit Insurance Corporation with respect to any bank holding company of which the total banking assets held by its subsidiary banks which are State-chartered non-members of the Federal Reserve System but whose deposits are insured by the Federal Deposit Insurance Corporation, exceed the total banking assets held by its subsidiary banks which are State-chartered members of the Federal Reserve System;

(3) The Board with respect to any bank holding company not included under paragraphs (1) or (2) hereof." (e) by amending subsection (i) as designated by subparagraph (d) hereof by striking the words "the banking." (a) Section 3 is amended—

(a) by striking the first word of subsection (a) and inserting in lieu thereof the following:

"A company which is not a bank holding company may, with the approval of the Comptroller of the Currency, become a bank holding company with respect to a national bank, or, with the approval of the Federal Deposit Insurance Corporation, become a bank holding company with respect to a state bank whose deposits are insured by the Federal Deposit Insurance Corporation but which is not a member of the Federal Reserve System. Except as provided in the preceding sentence it".

(b) by adding in subsection (a) immediately preceding the sentence beginning with the word "Notwithstanding" the following new sentence:

"It shall be unlawful after June 30, 1971, for any company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, to retain direct or indirect ownership or control of any bank or bank holding company acquired after March 1, 1969, and prior to the date of enactment of such Act, or of 25 per centum or more of the voting shares of any bank or bank holding company any part of which was acquired after March 1, 1969, and prior to the date of enactment of the Bank Holding Company Act of 1969, unless such retention is approved in the manner prescribed in the two preceding sentences."

(c) by striking from subsection (c) the words "The Board shall not approve" and inserting in lieu thereof "Neither the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor the Board shall approve".

(d) by striking from subsection (c) the words "the Board shall take" and inserting in lieu thereof "there shall be taken".

(3) Section 4(a) is amended—

(a) by striking "Board" and inserting in lieu thereof the words "appropriate banking agency".

(b) by amending subparagraph (2) to read as follows:

"(2) after two years from the date as of which it becomes a bank holding company, or, in the case of any company that has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940, prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or bank holding company or engage in any businesses or activities other than (i) those of banking or of managing or controlling banks or of furnishing services to or performing services for any bank with respect to which it is a bank holding company, (ii) those specified under clause (8) of subsection (c) of this section subject to all the conditions specified therein, or (iii) those in which it was lawfully engaged on June 30, 1968, and in which it has been continuously engaged since that date."

(4) Section 4(c) is amended—

(a) by amending clause (5) to read as follows:

"(5) shares acquired and held in the manner, kinds and amounts specifically permissible for national banks under provisions of Federal statute law and regulations issued pursuant thereto;"

(b) by amending clause (8) to read as follows:

"(8) shares retained or acquired with the approval of the appropriate banking agency in any company (other than a company engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes or other securities) engaged exclusively in activities that have been determined by unanimous agreement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board (1) to be financial or related to finance in nature or of a fiduciary or insurance nature, and (2) to be in the public interest when offered by a bank holding company or its subsidiaries.

"No retention nor acquisition may be approved under this clause except pursuant to and in accordance with guidelines established by unanimous agreement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board. In establishing such guidelines consideration shall be given to any potential anti-competitive effects of a bank holding company engaging in any proposed type of activity, and limitations on permissible activities may be established on the basis of any relevant factors, including size of bank holding company or its subsidiary banks, the size of any company to be acquired or retained, and the size of communities in which such activities should be permitted.

The appropriate banking agency shall not approve—

(a) any retention or acquisition under this clause which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize any part of trade or commerce in any part of the United States, or

(b) any retention or acquisition under this clause whose effect in any line of commerce in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade.

In every case, the appropriate banking agency shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served."

(c) by amending clause (9) to read as follows:

"(9) shares lawfully acquired and owned on December 31, 1968, in any company organized under the laws of a foreign country and which is engaged principally in banking or other financial operations outside the United States;

(d) by changing the period at the end thereof to a semicolon and by adding the following:

"(11) shares lawfully acquired and owned on June 30, 1968, by any company (or subsidiary thereof) which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, so long as the company issuing such shares is not engaging and does not engage in any business or activities other than those in which it or the bank holding company (or its subsidiaries) was lawfully engaged on June 30, 1968;

"(12) shares lawfully acquired and owned by a subsidiary of a bank holding company if both the subsidiary and the company issuing the shares are organized under the laws of a foreign country and do not operate in the United States; or

"(13) shares retained or acquired by any company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, but which ceases to be a bank holding company no later than June 30, 1971, or such other date not later than June 30, 1974, as may be fixed by the appropriate banking agency in the manner prescribed in subsection (a) of this section."

(5) Section 5 is amended as follows:

(a) Subsection (a) is amended by adding at the end thereof the following new sentence:

"Information received by the Board pursuant to this subsection shall be made available to the Comptroller of the Currency and the Federal Deposit Insurance Corporation to the extent necessary to enable them to properly perform the functions assigned to them under this Act."

(b) Subsection (b) is amended by adding at the end thereof the following new sentence:

"The Comptroller of the Currency and the Federal Deposit Insurance Corporation are each authorized to issue such regulations and orders as may be necessary to enable them to properly perform the functions assigned to them under this Act."

(c) Subsection (c) is amended by adding at the end thereof the following new sentence:

"The authority granted herein to the Board is hereby granted also to the Comptroller of the Currency and the Federal Deposit Insurance Corporation to the extent necessary to enable them to properly perform the functions assigned to them under this Act."

(6) Section 8 is amended by striking the words "by the Board".

(7) Section 9 is amended to read as follows:

"SEC. 9. Any party aggrieved by an order issued under this Act may obtain a review of such order in the United States Court of Appeals within any circuit wherein such party has its principal place of business, or in the Court of Appeals in the District of Columbia, by filing in the court, within thirty days after the entry of the order, a petition praying that the order be set aside. A copy of such petition shall be forthwith transmitted to the agency issuing the order by the clerk of the court, and thereupon the agency shall file in the court the record made before it, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition the court shall have the jurisdiction to affirm, set aside, or modify

the order and to require the agency issuing such order to take such action with regard to the matter under review as the court deems proper. The findings of the agency as to the facts, if supported by substantial evidence, shall be conclusive."

(8) Section 11 is amended—

(a) by amending the first sentence of subsection (b) to read as follows:

"The Board shall immediately notify the Attorney General of any approval by it pursuant to this Act of a proposed acquisition, merger, consolidation or other transaction by which a bank holding company acquires a bank (hereinafter referred to as a 'bank acquisition'), and such a bank acquisition may not be consummated before the thirtieth calendar day after the date of approval by the Board."

(b) by further amending subsection (b) by striking the words "acquisition, merger, or consolidation transaction" at each place they appear in the second and succeeding sentences, and inserting in lieu thereof the words "bank acquisition."

(c) by adding at the end thereof the following:

"(g) The appropriate banking agency shall notify the Attorney General of any application received by it under section 4 (c) (8) of this Act.

"(h) Each appropriate banking agency shall include in its annual report to the Congress a description and a statement of the reasons for approval of each transaction approved by it under section 4(c) (8) of this Act during the period covered by the report."

SEC. 3. (a) No bank holding company or subsidiary of a bank holding company may in any manner extend credit, lease or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition, agreement, or understanding

(A) that the customer shall obtain some other credit, property, or service from the bank holding company or subsidiary of the bank holding company; or

(B) that the customer shall not obtain credit, property, or services from a competitor of the bank holding company or subsidiary of the bank holding company.

(b) The district courts of the United States have jurisdiction to prevent and restrain violations of subsection (a) of this section, and it is the duty of the United States attorneys, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. The proceedings may be by way of a petition setting forth the case and praying that the violation be enjoined or otherwise prohibited. When the parties complained of have been duly notified of the petition; the court shall proceed, as soon as may be, to the hearing and determination of the case. While the petition is pending, and before final decree, the court may at any time make such temporary restraining order or prohibition as it deems just in the premises. Whenever it appears to the court that the ends of justice required that other parties be brought before it, the court may cause them to be summoned whether they reside in the district in which the court is held or not, and subpenas to that end may be served in any district by the marshal thereof.

(c) In any action brought by or on behalf of the United States under subsection (a) of this section, subpoenas for witnesses may run into any district, but no writ of subpoena may issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the permission of the trial court being first had upon proper application and cause shown.

(d) Any person who is injured in his business or property by reason of anything forbidden in subsection (a) of this section may sue therefor in any district court of the United States in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover three-fold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

(e) Any person, firm, corporation, or association may sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by violation of subsection (a) of this section, under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings. Upon the execution of proper bond against damages for an injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue.

(f) Any action to enforce any cause of action under this section shall be forever barred unless commenced within four years after the cause of action accrued.

The analysis presented by Mr. BENNETT, is as follows:

ANALYSIS: BANK HOLDING COMPANY ACT OF 1969

The first section would designate the Act as the Bank Holding Company Act of 1969.

Section 2 is divided into eight subparagraphs, all of which would amend the Bank Holding Company Act of 1956. The amendments are as follows:

Paragraph (1) would amend section 2 containing definitions. It would redefine "bank holding company" to include any company which owns or controls one bank, and to include any company which in fact has power to control the management of any bank; it would provide a definition of "appropriate banking agency"; finally, it would make clear that the Act is not intended to have extraterritorial application.

Paragraph (2) would provide that any company which wishes to become a bank holding company may do so with the approval of the Comptroller of the Currency if it seeks to acquire a national bank, with the approval of the Federal Deposit Insurance Corporation if it seeks to acquire a nonmember insured bank, and with the approval of the Federal Reserve Board for any other bank acquisition. It would also require retroactive approval for any acquisition of one bank by any company (other than a bank holding company) made after March 1, 1969, and before the date of enactment.

Paragraph (3) would amend the Act to permit any company which under the Act would become a one-bank holding company to continue to engage in any businesses or activities in which it was engaged on June 30, 1968.

Paragraph (4) would amend section 4(c) in several respects. It would make a technical amendment to insure that bank holding companies would have to get the same type of approval as national banks for the acquisition of corporate shares that national banks are permitted to acquire. It would require federal approval for the acquisition after December 31, 1968, of the shares of any bank organized in a foreign country and engaged in the banking business outside the United States. It would permit one-bank holding companies to keep other companies which they owned on June 30, 1968, so long as those companies did not engage in new businesses. It would provide that foreign subsidiaries of bank holding companies could retain and acquire shares in other foreign corporations which do not operate in the United States. It would permit a one-bank holding company to retain or acquire shares in any company until June 30, 1971, provided that it disposes of its banks no later than that date. This period of time could be extended by the appropriate banking agency for an additional three years, but no extension could be for more than one year at a time.

Paragraph (4) would also permit bank holding companies to retain or acquire shares in other companies engaged exclusively in activities that have been determined by unanimous agreement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board to be financial or related to finance in nature or of a fiduciary or insurance nature, and to be in the public interest when offered by a bank holding company. (This would not include engaging in the securities business.)

The retention or acquisition of shares under this authority would have to be approved by the appropriate banking agency, which would be the Comptroller of the Currency in the case of a bank holding company having primarily national banks, the Federal Deposit Insurance Corporation in the case of a bank holding company having primarily nonmember insured banks, and by the Federal Reserve in all other cases. The approval authority would have to be exercised under guidelines established by unanimous agreement of the three bank supervisory agencies. In the establishment of the guidelines consideration would have to be given to potential anticompetitive effects, and the guidelines could include limits based on size either of companies or banks involved or of communities involved. Also, in considering applications the banking agencies would have to apply anticompetitive and banking standards similar to those contained in the Bank Merger Act of 1960 as amended in 1966.

Paragraph (5) would make technical changes in the sections of the Bank Holding Company Act dealing with administration. All bank holding companies, including one-bank holding companies, would have to register with the Federal Reserve Board, but the Comptroller of the Currency and the Federal Deposit Insurance Corporation would each have access to necessary information, and each would be authorized to issue regulations and orders, to require reports under oath and to make examinations.

Paragraph (6) would extend criminal penalties contained in the Bank Holding Company Act of 1956, to violations of any regulation or order issued by any of the three bank supervisory agencies.

Paragraph (7) would provide for judicial review of any order issued by any of the three agencies.

Paragraph (8) would require that the Attorney General be notified of any application for the acquisition by a bank holding company of shares in any company other than a bank; and would require that each application approved be described in the agency's annual report.

Section 3 of the bill would prohibit tie-in arrangements which would condition the furnishing of any service on the obtaining of any other service. The district courts would have jurisdiction to restrain violations of this provision and suit for that purpose could be brought by the Attorney General.

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

STATEMENT SHOWING CHANGES IN EXISTING LAW MADE BY PROPOSED BILL—THE BANK HOLDING COMPANY ACT OF 1956, AS AMENDED (70 STAT. 133; 12 U.S.C. 1841 ET SEQ.)

(NOTE.—Changes in existing law proposed to be made by the bill are shown as follows: existing law proposed to be omitted is enclosed in black brackets and new matter in italics.)

DEFINITIONS

SEC. 2. (a) "Bank holding company" means any company (1) that directly or indirectly owns, controls, or holds with power to vote 25 per centum or more of the voting shares of [each of two or more banks] *any bank* or

of a company that is or becomes a bank holding company by virtue of this Act, or (2) that controls in any manner the election of a majority of the directors of [each of two or more banks] *any bank, or (3) that has the power directly or indirectly to direct or cause the direction of the management or policies of any bank;* and, for the purposes of this Act, any successor to any such company shall be deemed to be a bank holding company from the date as of which such predecessor company became a bank holding company. Notwithstanding the foregoing, (A) no bank and no company owning or controlling voting shares of a bank shall be a bank holding company by virtue of such bank's ownership or control of shares in a fiduciary capacity[,] except *where such shares are held under a trust that constitutes a company as defined in subsection (b) of this section, or* as provided in paragraphs (2) and (3) of subsection (g) of this section, (B) no company shall be a bank holding company by virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis, and (C) no company formed for the sole purpose of participating in a proxy solicitation shall be a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation.

(b) "Company" means any corporation, *partnership,* business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust, but shall not include [(1)] any corporation the majority of the shares of which are owned by the United States or by any State[, or (2) any partnership].

(c) "Bank" means any institution that accepts deposits that the depositor has a legal right to withdraw on demand, but shall not include any organization operating under section 25 or section 25(a) of the Federal Reserve Act, or any organization that does not do business within the United States. "District bank" means any bank organized or operating under the Code of Law for the District of Columbia.

(d) "Subsidiary", with respect to a specified bank holding company, means (1) any company 25 per centum or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such bank holding company, or is held by it with power to vote; [or] (2) any company the election of a majority of whose directors is controlled in any manner by such bank holding company; *or (3) any company, whose management or policies such bank holding company has the power directly or indirectly to cause the direction of or direct.*

"Total banking assets held by its subsidiary banks" as used in subsection (h) of this section shall include assets held by the bank holding company if it is a bank.

(e) The term "successor" shall include any company which acquires directly or indirectly from a bank holding company shares of any bank, when and if the relationship between such company and the bank holding company is such that the transaction effects no substantial change in the control of the bank or beneficial ownership of such shares of such bank. The Board may, by regulation, further define the term "successor" to the extent necessary to prevent evasion of the purposes of this Act.

(f) "Board" means the Board of Governors of the Federal Reserve System.

(g) For the purposes of this Act—

(1) shares owned or controlled by any subsidiary of a bank holding company shall be deemed to be indirectly owned or controlled by such bank holding company;

(2) shares held or controlled directly or indirectly by trustees for the benefit of (A) a company, (B) the shareholders or members of a company, or (C) the employees (whether exclusively or not) of a company, shall be deemed to be controlled by such company; and

(3) shares transferred after January 1, 1966, by any bank holding company (or by any company which, but for such transfer, would be a bank holding company) directly or indirectly to any transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, shall be deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee.

(h) "Appropriate banking agency" means (1) The Comptroller of the Currency with respect to any bank holding company of which the total banking assets held by its subsidiary banks which are national banks or district banks exceed the total banking assets held by its subsidiary banks which are State-chartered members of the Federal Reserve System and exceed the total banking assets held by its subsidiary banks which are not members of the Federal Reserve System; (2) The Federal Deposit Insurance Corporation with respect to any bank holding company of which the total banking assets held by its subsidiary banks which are State-chartered non-members of the Federal Reserve System but whose deposits are insured by the Federal Deposit Insurance Corporation, exceed the total banking assets held by its subsidiary banks which are State-chartered members of the Federal Reserve System; (3) The Board with respect to any bank holding company not included under paragraphs (1) or (2) hereof.

[(h)] (i) The application of this Act and of section 23A of the Federal Reserve Act (12 U.S.C. 371), as amended, shall not be affected by the fact that a transaction takes place wholly or partly outside the United States or that a company is organized or operates outside the United States: *Provided, however,* That the prohibitions of section 4 of this Act shall not apply to shares of any company organized under the laws of a foreign country that does not do any business within the United States, if such shares are held or acquired by a bank holding company that is principally engaged in [the banking] business outside the United States.

ACQUISITION OF BANK SHARES OR ASSETS

SEC. 3. (a) [It] *A company which is not a bank holding company may, with the approval of the Comptroller of the Currency, become a bank holding company with respect to a national bank, or with the approval of the Federal Deposit Insurance Corporation, become a bank holding company with respect to a state bank whose deposits are insured by the Federal Deposit Insurance Corporation but which is not a member of the Federal Reserve System. Except as provided in the preceding sentence it* shall be unlawful, except with the prior approval of the Board, (1) for any action to be taken that causes any company to become a bank holding company; (2) for any action to be taken that causes a bank to become a subsidiary of a bank holding company; (3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank, if after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank; (4) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank; or (5) for any bank holding company to merge or consolidate with any other bank holding company. *It shall be unlawful after June 30, 1971, for any company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, to retain direct or indirect ownership or control of any bank or bank holding company acquired after March 1, 1969, and prior to the date of enactment of such Act, or of 25 percentum or more of the voting shares of any bank or bank holding company any part of which was acquired after March 1, 1969, and prior to the date of enactment of the Bank Holding Company Act of 1969, unless such retention is approved in the manner prescribed in the two preceding sentences.* Notwithstanding the foregoing this prohibition shall not apply to (A) shares acquired by a bank, (i) in good faith in a fiduciary capacity, except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g), or (ii) in the regular course of securing or collecting a debt previously contracted in good faith, but any shares required after the date of enactment of this Act in securing or collecting any such previously contracted debt shall be disposed of within a period of two years from the date on which they were acquired; or (B) additional shares acquired by a bank holding company in a bank in which such bank holding company owned or controlled a majority of the voting shares prior to such acquisition.

(b) Upon receiving from a company any application for approval under this section, the Board shall give notice to the Comptroller of the Currency, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a national banking association or a District bank, or to the appropriate supervisory authority of the interested State, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a State bank, and shall allow thirty days within which the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, may be submitted. If the Comptroller of the Currency or the State supervisory authority so notified by the Board disapproves the application in writing within said thirty days, the Board shall forthwith give written notice of that fact to the applicant. Within three days after giving such notice to the applicant, the Board shall notify in writing the applicant and the disapproving authority of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Board has given written notice to the applicant of the action of the disapproving authority. The length of any such hearing shall be determined by the Board, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Board shall by order grant or deny the application on the basis of the record made at such hearing.

(c) [The Board shall not approve] *Neither the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor the Board shall approve—*

(1) any acquisition or merger or consolidation under this section which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(2) any other proposed acquisition or merger or consolidation under this section whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly weighed in the public interest by the prob-

able effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, [the Board shall take] *there shall be taken* into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

(d) Notwithstanding any other provision of this section, no application shall be approved under this section which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located outside of the State in which the operations of such bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later, unless the acquisition of such shares or assets of a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication. For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that State in which total deposits of all such banking subsidiaries are largest.

INTERESTS IN NONBANKING ORGANIZATIONS

SEC. 4. (a) Except as otherwise provided in this Act, no bank holding company shall—

(1) after the date of enactment of this Act acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, or

(2) after two years from the date as of which it becomes a bank holding company, or, in the case of any company that has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940, prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or a bank holding company or engage in any [business other than that of banking or of managing or controlling banks or of furnishing services to or performing services for any bank of which it owns or controls 25 per centum or more of the voting shares] *businesses or activities other than (i) those of banking or of managing or controlling banks or of furnishing services to or performing services for any bank with respect to which it is a bank holding company, (ii) those specified under clause (8) of subsection (c) of this section subject to all the conditions specified therein, or (iii) those in which it was lawfully engaged on June 30, 1968, and in which it has been continuously engaged since that date.*

The [Board] *appropriate banking agency* is authorized, upon application by a bank holding company, to extend the period referred to in paragraph (2) above from time to time as to such bank holding company for not more than one year at a time, if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years.

(b) After two years from the date of enactment of this Act, no certificate evidencing shares of any bank holding company shall bear any statement purporting to represent shares of any other company except a bank or bank holding company, nor shall the ownership, sale, or transfer of shares of any bank holding company be conditioned in any manner whatsoever upon the ownership, sale, or transfer of shares of any other company except a bank or bank holding company.

(c) The prohibitions in this section shall not apply to any bank holding company which is a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, and such prohibitions shall not, with respect to any other bank holding company, apply to—

(1) shares of any company engaged or to be engaged solely in one or more of the following activities: (A) holding or operating properties used wholly or substantially by any banking subsidiary of such bank holding company in the operations of such banking subsidiary or acquired for such future use; or (B) conducting a safe deposit business; or (C) furnishing services to or performing services for such bank holding company or its banking subsidiaries; or (D) liquidating assets acquired from such bank holding company or its banking subsidiaries or acquired from any other source prior to May 9, 1956, or the date on which such company became a bank holding company, whichever is later;

(2) shares acquired by a bank in satisfaction of a debt previously contracted in good faith, but such bank shall dispose of such shares within a period of two years from the date on which they were acquired, except that the Board is authorized upon application by such bank holding company to extend such period of two years from time to time as to such holding company for not more than one year at a time if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall extend beyond a date five years after the date on which such shares were acquired;

(3) shares acquired by such bank holding company from any of its subsidiaries which subsidiary has been requested to dispose of such shares by any Federal or State authority having statutory power to examine such subsidiary, but such bank holding company shall dispose of such shares within a period of two years from the date on which they were acquired;

(4) shares held or acquired by a bank in good faith in a fiduciary capacity, except where such shares are held under a trust that constitutes a company as defined in section 2(b) and except as provided in paragraphs (2) and (3) of section 2(g);

[(5) shares which are of the kinds and amounts eligible for investment by national banking associations under the provisions of section 5136 of the Revised Statutes;]

(5) shares acquired and held in the manner, kinds and amounts specifically permissible for national banks under provisions of Federal statute law and regulations issued pursuant thereto;

(6) shares of any company which do not include more than 5 per centum of the outstanding voting shares of such company;

(7) shares of an investment company which is not a bank holding company and which is not engaged in any business other than investing in securities, which securities do not include more than 5 per centum of the outstanding voting shares of any company;

[(8) shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this Act;]

(8) shares retained or acquired with the approval of the appropriate banking agency in any company (other than a company engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes or other securities) engaged exclusively in activities that have been determined by unanimous agreement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board (1) to be financial or related to finance in nature or of a fiduciary or insurance nature, and (2) to be in the public interest when offered by a bank holding company or its subsidiaries.

No retention nor acquisition may be approved under this clause except pursuant to and in accordance with guidelines established by unanimous agreement of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board. In establishing such guidelines consideration shall be given to any potential anticompetitive effects of a bank holding company engaging in any proposed type of activity, and limitations on permissible activities may be established on the basis of any relevant factors, including size of bank holding company or its subsidiary banks, the size of any company to be acquired or retained, and the size of communities in which such activities should be permitted.

The appropriate banking agency shall not approve—

(a) any retention or acquisition under this clause which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize any part of trade or commerce in any part of the United States, or

(b) any retention or acquisition under this clause whose effect in any line of commerce in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade.

In every case, the appropriate banking agency shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

[(9) shares of any company which is or is to be organized under the laws of a foreign country and which is or is to be engaged principally in the banking business outside the United States; or]

(9) shares lawfully acquired and owned on December 31, 1968, in any company organized under the laws of a foreign country and which is engaged principally in banking or other financial operations outside the United States;

(10) shares lawfully acquired and owned prior to May 9, 1956, by a bank which is a bank holding company, or by any of its wholly owned subsidiaries[.];

(11) shares lawfully acquired and owned on June 30, 1968, by any company (or subsidiary thereof) which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, so long as the company issuing such shares is not engaging and does not engage in any business or activities other than those in which it or the bank holding company (or its subsidiaries) was lawfully engaged on June 30, 1968;

(12) shares lawfully acquired and owned by a subsidiary of a bank holding company if both the subsidiary and the company issuing, the shares are organized under the laws of a foreign country and do not operate in the United States; or

(13) shares retained or acquired by any company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, but which ceases to be a bank holding company no later than June 30, 1971, or such other date not later than June 30, 1974, as may be

fixed by the appropriate banking agency in the manner prescribed in subsection (a) of this section.

(d) With respect to shares which were not subject to the prohibitions of this section as originally enacted by reason of any exemption with respect thereto but which were made subject to such prohibitions by the subsequent repeal of such exemption, no bank holding company shall retain direct or indirect ownership or control of such shares after five years from the date of the repeal of such exemption, except as provided in paragraph (2) of subsection (a). Any bank holding company subject to such five-year limitation on the retention of nonbanking assets shall endeavor to divest itself of such shares promptly and such bank holding company shall report its progress in such divestiture to the Board two years after repeal of the exemption applicable to it and annually thereafter.

ADMINISTRATION

SEC. 5. (a) Within one hundred and eighty days after the date of enactment of this Act, or within one hundred and eighty days after becoming a bank holding company, whichever is later, each bank holding company shall register with the Board on forms prescribed by the Board, which shall include such information with respect to the financial condition and operations, management, and intercompany relationships of the bank holding company and its subsidiaries, and related matters, as the Board may deem necessary or appropriate to carry out the purposes of this Act. The Board may, in its discretion, extend the time within which a bank holding company shall register and file the requisite information. *Information received by the Board pursuant to this subsection shall be made available to the Comptroller of the Currency and the Federal Deposit Insurance Corporation to the extent necessary to enable them to properly perform the functions assigned to them under this Act.*

(b) The Board is authorized to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of this Act and prevent evasions thereof. *The Comptroller of the Currency and the Federal Deposit Insurance Corporation are each authorized to issue such regulations and orders as may be necessary to enable them to properly perform the functions assigned to them under this Act.*

(c) The Board from time to time may require reports under oath to keep it informed as to whether the provisions of this Act and such regulations and orders issued thereunder have been complied with; and the Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which shall be assessed against, and paid by, such holding company. The Board shall, as far as possible, use the reports of examinations made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the appropriate State bank supervisory authority for the purposes of this section. *The authority granted herein to the Board is hereby granted also to the Comptroller of the Currency and the Federal Deposit Insurance Corporation to the extent necessary to enable them to properly perform the functions assigned to them under this Act.*

(d) Before the expiration of two years following the date of enactment of this Act, and each year thereafter in the Board's annual report to the Congress, the Board shall report to the Congress the results of the administration of this Act, stating what, if any, substantial difficulties have been encountered in carrying out the purposes of this Act, and any recommendations as to changes in the law which in the opinion of the Board would be desirable.

RESERVATION OF RIGHTS TO STATES

SEC. 7. The enactment by the Congress of the Bank Holding Company Act of 1956 shall not be construed as preventing any State from exercising such powers and jurisdiction which it now has or may hereafter have with respect to banks, bank holding companies, and subsidiaries thereof.

PENALTIES

SEC. 8. Any company which willfully violates any provision of this Act, or any regulation or order issued [by the Board] pursuant thereto, shall upon conviction be fined not more than $1,000 for each day during which the violation continues. Any individual who willfully participates in a violation of any provision of this Act shall upon conviction be fined not more than $10,000 or imprisoned not more than one year, or both. Every officer, director, agent, and employee of a bank holding company shall be subject to the same penalties for false entries in any book, report, or statement of such bank holding company as are applicable to officers, directors, agents, and employees of member banks for false entries in any books, reports, or statements of member banks under section 1005 of title 18, United States Code.

JUDICIAL REVIEW

SEC. 9. Any party aggrieved by an order [of the Board] *issued* under this Act may obtain a review of such order in the United States Court of Appeals within any circuit wherein such party has its principal place of business, or in the Court of Appeals in the District of Columbia, by filing in the court, within thirty days after the entry of the [Board's] order, a petition praying that the order [of the Board] be set aside. A copy of such petition shall be forthwith transmitted to the [Board] *agency issuing the order* by the clerk of the court, and thereupon the [Board] *agency* shall file in the court the record made before [the Board] *it*, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition the court shall have the jurisdiction to affirm, set aside, or modify the order [of the Board] and to require the [Board] *agency issuing such order* to take such action with regard to the matter under review as the court deems proper. The findings of the [Board] *agency* as to the facts, if supported by substantial evidence, shall be conclusive.

* * * * *

SAVING PROVISION

SEC. 11. (a) Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct, except as specifically provided in this section.

(b) The Board shall immediately notify the Attorney General of any approval by it pursuant to this Act of a proposed acquisition, merger, [or] consolidation *or other* transaction, *by which a bank holding company acquires a bank (hereinafter referred to as a "bank acquisition")*, and such [transaction] *a bank acquisition* may not be consummated before the thirtieth calendar day after the date of approval by the Board. Any action brought under the antitrust laws arising out of an [acquisition, merger, or consolidation transaction] *bank acquisition* shall be commenced within such thirty-day period. The commencement of such an action shall stay the effectiveness of the Board's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented. In any judicial proceeding attacking any [acquisition, merger, or consolidation transaction] *bank acquisition* approved pursuant to this Act on the ground that such transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Board is directed to apply under section 3 of this Act. Upon the consummation of an [acquisition, merger, or consolidation transaction] *bank acquisition* in compliance with this Act and after the termination of any antitrust litigation commenced within the period prescribed in this section, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceedings on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this Act shall exempt any bank holding company involved in such a transaction from complying with the antitrust laws after the consummation of such transaction.

(c) In any action brought under the antitrust laws arising out of any acquisition, merger, or consolidation transaction approved by the Board pursuant to this Act, the Board and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

(d) Any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act which was consummated at any time prior or subsequent to May 9, 1956, and as to which no litigation was initiated by the Attorney General prior to the date of enactment of this amendment, shall be conclusively presumed not to have been in violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2).

(e) Any court having pending before it on or after the date of enactment of this amendment any litigation initiated under the antitrust laws by the Attorney General with respect to any acquisition, merger, or consolidation of the kind described in section 3(a) of this Act shall apply the substantive rule of law set forth in section 3 of this Act.

(f) For the purposes of this section, the term "antitrust laws" means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1–7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12–27), and any other Acts in pari materia.

(g) The appropriate banking agency shall notify the Attorney General of any application received by it under section 4(c)(8) of this Act.

(h) Each appropriate banking agency shall include in its annual report to the Congress a description and a statement of the reasons for approval of each transaction approved by it under section 4(c)(8) of this Act during the period covered by the report.

SEPARABILITY OF PROVISIONS

SEC. 12. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

INTERNAL REVENUE CODE OF 1954

SEC. 1102. * * *

* * * * *

(f) Certain Other Bank Holding Companies.—This part shall apply in respect of any company which becomes a bank holding company as a result of the enactment which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act of 1969, with the following modification:

(1) Subsections (a)(3) and (b)(3) of section 1101 shall not apply.

(2) Subsections (a)(1) and (2) and (b)(1) and (2) of section 1101 shall apply in respect of distributions to shareholders of the distributing bank holding corporations only if all

distributions to each class of shareholders which are made—

(A) after March 1, 1969, and

(B) on or before the date on which the appropriate banking agency (as defined in section 1103(f)) makes its final certification under section 1101 (e), are pro rata. For purposes of the preceding sentence, any redemption of stock made in whole or in part with property other than money shall be treated as a distribution.

(3) In applying subsections (c) and (d) of section 1101 and subsection (b) of 1103, the date "March 1, 1969" shall be substituted for the date "May 15, 1955."

(4) In applying subsection (d)(3) of section 1101, the date of enactment of this subsection shall be treated as the date of enactment of this part.

(5) In applying this part, the references to the Bank Holding Company Act of 1956 shall be treated as referring to such Act as amended by the Bank Holding Company Act of 1969.

(6) In applying this part, the term "Board" shall be treated as referring to the appropriate banking agency (as defined in section 1103(f)).

(7) In applying subsections (b) and (c)(3) of section 1101, the term "prohibited property" shall include property which would otherwise be prohibited property (within the meaning of section 1103(c)) except for the application of section 4(c)(11) of the Bank Holding Company Act of 1956.

SEC. 1103. * * *

* * * * *

(f) APPROPRIATE BANKING AGENCY.—*For purposes of this part, the term "appropriate banking agency" shall have the same definition as in section 2(h) of the Bank Holding Company Act of 1956.*

NEW LAW: BANK HOLDING COMPANY ACT OF 1969

Sec. 3. (a) No bank holding company or subsidiary of a bank holding company may in any manner extend credit, lease or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition, agreement, or understanding

(A) that the customer shall obtain some other credit, property, or service from the bank holding company or subsidiary of the bank holding company; or

(B) that the customer shall not obtain credit, property, or services from a competitor of the bank holding company or subsidiary of the bank holding company.

(b) The district courts of the United States have jurisdiction to prevent and restrain violations of subsection (a) of this section, and it is the duty of the United States attorneys, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. The proceedings may be by way of a petition setting forth the case and praying that the violation be enjoined or otherwise prohibited. When the parties complained of have been duly notified of the petition, the court shall proceed, as soon as may be, to the hearing and determination of the case. While the petition is pending, and before final decree, the court may at any time make such temporary restraining order or prohibition as it deems just in the premises. Whenever it appears to the court that the ends of justice require that other parties be brought before it, the court may cause them to be summoned whether they reside in the district in which the court is held or not, and subpoenas to that end may be served in any district by the marshal thereof.

(c) In any action brought by or on behalf of the United States under subsection (a) of this section, subpoenas for witnesses may run into any district, but no writ of subpoena may issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the permission of the trial court being first had upon proper application and cause shown.

(d) Any person who is injured in his business or property by reason of anything forbidden in subsection (a) of this section may sue therefor in any district court of the United States in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

(e) Any person, firm, corporation, or association may sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by violation of subsection (a) of this section, under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings. Upon the execution of proper bond against damages for an injuction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue.

(f) Any action to enforce any cause of action under this section shall be forever barred unless commenced within four years after the cause of action accrued.

S. 1665—INTRODUCTION OF A BILL DEALING WITH TAX ASPECTS OF THE BANK HOLDING COMPANY ACT OF 1969

Mr. BENNETT. Mr. President, as I said, I am introducing two bills because if the Bank Holding Company Act of 1969 is adopted, it would create a tax problem for those bank holding companies that would be required to divest themselves either of their bank or commercial properties.

Therefore, I also introduce, for myself and the Senator from Alabama (Mr. SPARKMAN), a second bill which deals with the tax aspects of the Bank Holding Company Act of 1969.

This bill would amend sections 1102 and 1103 of the Internal Revenue Code of 1954 to provide generally that corporations which become bank holding companies as a result of the Bank Holding Company Act of 1969 may distribute on a pro rata basis to their shareholders, without tax consequences to such shareholders, either their nonbanking assets or all their banking assets acquired prior to March 1, 1969. This is very similar to the treatment afforded corporations which became bank holding companies as a result of the Bank Holding Company Act of 1956 or the amendments thereto enacted in 1966.

Those companies which are not required by this bill to divest, but which, nevertheless, choose to do so, are permitted to distribute their banking property tax free, if they comply with all the applicable requirements of sections 1101 to 1103, including obtaining a determination of the appropriate banking agency that such distribution is appropriate to effectuate the policies of the Bank Holding Company Act of 1956, as amended.

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

The bill (S. 1665) relating to the income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1969, introduced by Mr. BENNETT (for himself and Mr. SPARKMAN), was received, read twice by its title, and referred to the Committee on Finance.

THE ABM—ANOTHER LOOK

Mr. FANNIN. Mr. President, since the Senate began to consider the question of a proper anti-ballistic-missile system, we have had an abundance of words. So far, not much in the way of clear-cut conclusions that can be grasped by the American people have resulted from this discussion. We have had voices opposing, voices supporting, voices qualifying their previous positions, and often just voices.

Mr. President, I place myself in the category of what I believe to be the majority of Americans who are laymen when it comes to missile terminology, and even more at sea when it comes to missile technology. Most of us do not know a Sprint from a Spartan, a Mirv from a Minuteman, and think a Galosh is the singular of what we are supposed to have two of when it snows.

My point is that most Americans, while vitally interested in the defense capability of our Nation, are not equipped to make technical judgments about a missile defense system. If we are not then equipped to make technical judgments, what are our options? Whom may we trust to make these judgments for us?

First of all, I suggest that the representative system in America has worked well for almost 200 years—perhaps that is the best place to which we can turn.

The President has the facts, the intelligence information gathered from around the world, and the sophistication and experience to use those facts. I think we should express the objectives we, as the people of America, would like to see accomplished, and then let him proceed.

May I say at this point that I have little patience—and it is growing smaller every day—for those in the liberal community who apparently have dedicated themselves to the proposition that they are going to make President Nixon's decision on the ABM his "Vietnam." First, I think that does little credit to them or to the men they previously backed with their political support—former President Johnson and former Vice President Humphrey.

It is implicit in such reasoning as the liberals have espoused, that getting involved in Vietnam was a decision entered into lightly, willingly, and with apparent abandonment of good sense. I think mistakes have obviously been made in the Vietnam war. One of the most obvious is the serious break with credibility on which President Johnson embarked during the 1964 campaign against my good friend and colleague, Senator BARRY GOLDWATER.

Careful examination of the campaign record shows that candidate Goldwater "told it like it was," while candidate Johnson gave the impression—at least to me, and I think to quite a few others—that the war was not really a war and that he would soon have it over. But that is past history, and while I may disagree with President Johnson's assessment of

the war, I would certainly never intentionally imply that he entered the war willingly or with light regard for the consequences.

Now I think at least that much charity should be allowed President Nixon as he attempts to cope with the situation in which the United States presently finds itself. For a group of liberal idealists deliberately to set out to scuttle President Nixon's defense policy, simply to satisfy their picayune philosophy or petty politics, is beyond contempt.

That brings to mind still another semantic chimera often used in discussing the ABM problem. I am referring to that well-beaten dead horse known as the "military-industrial complex." The frequency and sincere conviction with which liberal journalists damn this nightmarish "monster" would convince a newcomer to our shores that the name is capitalized and engraved at a Connecticut Avenue address. No doubt the offices are inhabited by retired generals, admirals, and corporate presidents who sit around all day gleefully figuring new ways to get America involved in policing the world so that they can devise new weapons to sell to our Government. This picture is a trifle stale and very shopworn and I would implore those who feel they must knock a strawman to at least give him a new name.

If we can clear the verbal landscape, perhaps those of us who are concerned with the defense of America, its institutions and ideals rather than following a vision written by a flaming finger on inscrutable tablets revealed only to the pseudointellectual community, can get on with an intelligent examination of the problem.

Of all the arguments advanced against deployment or even development of the ABM, the most irrelevant—it seems to me—is the argument that it will cost too much.

First of all, I cannot discern the source of the iron-bound assurance which characterizes those who bandy about a cost figure of $400 billion. This figure has been quoted and requoted until those who are quoting the quoters are absolutely sure they have an inerrant source by the tail. They remaind me of the trio of tigers in "Little Black Sambo" who chased their tails around the palm tree so fast that they eventually dissolved into butter.

This buttery figure of $400 billion has been compared to the national debt and opponents hold out the prospect of doubling our debt overnight. This seems to me to be a most fortunate comparison. As most of the over-30 generation knows, the largest portion of our national debt was incurred as we fought to win World War II and rehabilitated a war-shocked world in the months and years that followed.

I ask those who make such an irresponsible comparison of cost: Would we be better off if we had lost World War II but not incurred that portion of the national debt? Would they swap a defeat for a debt? That appears to be precisely the choice they offer the American people.

I say if we need the ABM to defend the country, then we need it no matter what the cost. I shall come back later to the question of how we decide if we need it, but let us have no quibbling about the need to have a strong defense of our national security. This silly questioning of cost, without relating it to the alternative, is not only foolish but it harks back to the old "better Red than dead" idea which I took for granted had been thoroughly discredited a very long time ago. Let us have responsible speaking out on this matter and no more panic-stricken shirt waving.

One of Lewis Carroll's characters in "Alice in Wonderland" says, "A word means what I say it means." This fantastic attitude seemed to have been adopted in its totality by some learned men participating in this public discussion. It is quite within the realm of possibility for one to call a defeat a victory, but that does not make it one.

By the same process, some of my learned friends say that for the United States to decide to lay down all its nuclear weapons is not "unilateral disarmament" but simply a "lessening of tensions in the world." I suggest that this reasoning has a distinct "wonderland" character to it and believe it to be fine for children's fiction but hardly worthy of a debate in the U.S. Senate.

It was most interesting to read in the March 17 issue of the Washington Post, a short, detailed history of the debate on the development of the H-bomb by Joseph Alsop. Mr. Alsop points out that during that debate, Dr. J. Robert Oppenheimer used precisely the same arguments now being presented by scientists opposing the ABM system. Those points were:

First. That the H-bomb would not work.

Second. That it would be too expensive to develop.

Third. Development would destabilize the world balance of power.

At that time, Dr. Oppenheimer was regarded as an infinitely greater authority than Dr. Edward Teller, according to Mr. Alsop. Being a great authority, however, did not prevent him from being dead wrong.

We have had a lot of testimony and many speeches from scientists and nonscientists alike, telling us that the ABM simply will not work. On the other hand, I have had invitations to make a trip out to the South Pacific and see the technology work for myself—without the nuclear warhead, of course.

May I call my colleagues' attention to the words of Dr. Oppenheimer, quoted by Joseph Alsop, as to why he had been so wrong, especially about the feasibility of the H-bomb. Dr. Oppenheimer:

> I guess I concluded it wouldn't work because I wanted it so much not to work.

It strikes me that we may well be in the same situation now. Those who tell us with absolute certainty that the ABM will not work may simply be hoping that it will not work. Perhaps, like Dr. Oppenheimer, they are testifying from their desires rather than their knowledge.

Mr. President, I ask unanimous consent that the article from the March 17 edition of the Washington Post by Joseph Alsop, to which I have referred, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. FANNIN. Mr. President, now to return to a point I mentioned earlier. How do we decide whether we need the ABM or not? Let us, as laymen, look at some of the facts that are available to us publicly.

Take, for example, the traditional edge in rocket power which the Russians have held over the United States for years. Even with the amazing "catchup" job done by our scientists, I think there is little doubt that today Russia still possesses more powerful engines than we do. Now when we transfer that to the MIRV concept that we have heard so much about—multiple independent reentry vehicle—the experts are talking about our rockets carrying two or three warheads on every rocket, each one targeted independently. But with the Russian superiority in rocket power, it is apparent that they could probably carry 10 warheads—maybe more. This means that we cannot simply count missiles as a measure of deterrence. We must look at this matter in a more sophisticated manner.

Mr. President, in testimony developed last week before Senate committees, Secretary Laird indicated that had the Soviet ABM system which they have proceeded to deploy around some of their cities been successful, our defense posture right now would be greatly endangered.

In the face of such evidence, I fail to see how opponents of our ABM system can conscientiously continue to argue that we must maintain a defense parity with the Soviets. It is perfectly obvious, it seems to me, that Communist governments are going to continue to develop and deploy the best weapon systems they can develop, regardless of international negotiations, treaties, and the like. To talk about parity, or detente, at a time like this is simply unrealistic.

Then, we have had a very strange argument advanced in opposition to the development of a defense to counter incoming missiles. It runs something like this: "If we do not want the enemy to use a weapon against us then we should not develop a defense for it."

That argument, Mr. President, was a little hard for me to follow, until the opponents came up with an example. They pointed out that although Germany developed deadly gases for possible war use, they never used them in World War II. Following this argument, I can only conclude they did not use the poison gas against us because we never developed a gas mask. The point is obviously facetious. We had some defensive capability against those gases, and we had some offensive capability too, in the form of our own weapons. The fear of sustaining far more damage than their weapons would inflict on us was the only force that kept such terrible weapons from being unleashed. So far as I can see, that is the only thing that keeps our world as peaceful as it is today, and that

is the only course that is most likely to keep it peaceful tomorrow.

On March 13, Mr. President, before President Nixon had made plain his decision to go ahead with the modified ABM proposal, I said in the Senate:

> It is my intention to support continued research, development, and if necessary deployment of the Sentinel system if the situation is as I understand it to be. I also broaden this to include any other recommendations which the President makes in support of our national security.

That is still my position today, Mr. President. I think our national security must continue to be the issue—not whether one supports or opposes this particular proposition. If the President thinks we need to go ahead with this system, I am satisfied that he knows what he is talking about. Certainly he cannot afford to sit at the table of international negotiations while our Nation could be subjected to nuclear blackmail.

The question, it seems to me, is this: Are the opponents of this system willing to bring the United States to a nuclear Pearl Harbor? The battleship *Arizona*, named after my State, lies at the bottom of Pearl Harbor. Its rusting hulk is still silent evidence to the perfidy of mankind. The still-entombed sailors on that vessel say to us, with voices unmuted by the years, that America, as a bastion of freedom, must always be on her guard against those who would snatch that freedom from us by cowardly action. I could not stand the strain, Mr. President, of bearing partial responsibility for bringing America to the brink of a nuclear Pearl Harbor; for allowing America to become susceptible to a nuclear attack from which she might never recover. I would not dare that responsibility, Mr. President.

At this time, I think we must still the rhetoric, and stop the shrill voices berating the phantom of a military-industrial complex. We must consider the solemn alternatives before us and we must decide in favor of America.

EXHIBIT 1

[From the Washington (D.C.) Post, Mar. 17, 1969]

OPPOSITION TO THE ABM SYSTEM RECALLS DISPUTE OVER H-BOMB

(By Joseph Alsop)

As everyone knows, President Nixon has decided on what may be called a timid development of anti-ballistic missiles. He had no alternative.

He would frankly have preferred to put off the whole problem for another year. Yet the scientists and other experts whom he trusts the most told him, quite plainly, that further delay might jeopardize the future defense of the United States. He was convinced, and being convinced, he did his duty as a President.

Thus we have an interesting first test (and it really has been the very first test) of the kind of President that Nixon is going to be. All those on both sides of the ABM controversy ought to be relieved that Nixon has passed the test, but this, of course, is a vain hope.

The controversy itself, meanwhile, has produced strong arguments, alas, for the strictest secrecy in all defense-scientific decisions of this character. To understand why, you need only look back in time, to the secrecy-muffled governmental debate about going forward with development of the H-bomb.

In that debate, the prime arguments against the H-bomb that were used by Dr. J. Robert Oppenheimer were precisely the arguments now being used by the ABM's scientist-opponents. Oppenheimer said: (A) That the H-bomb would not work; (B) that it would be inordinately expensive to develop; and (C) That development would only increase the instability of the world balance of power.

Robert Oppenheimer was then regarded as an infinitely greater authority than Dr. Edward Teller. As anyone can now see, he was nonetheless dead wrong on all three points. Later, he admitted as much.

This reporter was one of the tiny band who came whole-heartedly to Oppenheimer's defense when this republic dishonored itself by removing the greater scientist's security clearance. Later, during a visit to the Oppenheimers in Princeton, the opportunity arose to ask him why he had been so dead wrong, especially about the feasibility of the H-bomb.

"I guess I concluded it wouldn't work," said Oppenheimer wryly, "because I wanted it so much not to work."

Yet if that long-ago debate about the H-bomb had not been so secrecy-muffled, there is no doubt at all that Oppenheimer could have rallied to his cause a large majority of the scientific community, plus huge numbers of the same sorts of non-scientific people who are now aroused against the ABM. It is always easy to arouse wishful people to kick against the pricks of this dreadful new world, in which fate has condemned us all to live.

The suspicion cannot be banished that scientists' guilt and other quite extraneous considerations have again played a huge role in the present controversy, as happened with Oppenheimer and H-bomb. There is the case, for instance, of Dr. Jerome Wiesner, who is probably the leading organizer of scientific opposition to the ABM.

Senators and other scientific illiterates are heard on every side, solemnly quoting Dr. Wiesner on the utter impossibility of effective defense in the present high-technical age. Yet in the 1950s, Dr. Wiesner was a leader in the Lincoln project, which developed the theory and technology of the first U.S. air defense system.

At that time, the shoe was on just the other foot. Dr. Wiesner clamored for spending on air defense. The air staff, meanwhile, was bitterly opposed. In reality, this was because spending on a defensive system was expected to compete with spending on the Strategic Air Command; but the air staff instead said that defense was wholely impractical.

The chief of air staff, General Hoyt Vandenberg, even called this reporter to his office, to suggest that the proponents of the air defense system were "under Communist influence." And Dr. Oppenheimer's support of Dr. Wiesner, far more than his opposition to the H-bomb, was what earned him the bitter and unfairly damaging enmity of the Air Force leaders.

The evidence suggests, to put it bluntly, that Dr. Wiesner and most of the others like him are now saying one thing and really thinking, inwardly, about quite another thing, just as Oppenheimer did in the H-bomb argument. For there is a great deal of evidence in the past record to show that Dr. Wiesner is, above all, motivated by his unshakable conviction that agreement on arms limitation will be made much easier if the U.S. does not proceed with ABM deployment.

On this point, just about every experienced expert on Soviet affairs, in or out of government, quite flatly disagrees with Dr. Wiesner. Dr. Wiesner would have a right to be a mite huffy if Ambassadors Thompson or Bohlen tried to teach him physics. And it just could be that physicists are equally incompetent guides to the best way to negotiate with the Soviets.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

S. 1663—INTRODUCTION OF ADULT EDUCATION AMENDMENTS OF 1969

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, the Adult Education Amendments of 1969. This bill is designed to provide an opportunity to "catch up" for the estimated 56 million adult Americans who have not had the opportunity to obtain an education as far as the 12th grade. This proposal has the support of the National Association for Public School Adult Education and the National Council of State Directors of Adult Education.

This measure would expand present law to—

Include secondary-level training so that adults might obtain the junior and senior high school training they have previously missed since present law covers only adult education through the eighth grade;

Lower the eligibility age from 18 to 16 so as to encompass school dropouts, a group estimated at up to 1 million young people annually;

Establish State adult education advisory councils to aid in the development and evaluation of programs at the local level, such as is now being done under title III of the Elementary and Secondary Education Act and the Vocational Education Act;

It would authorize an expenditure of $300 million for fiscal year 1970, $350 million for fiscal year 1971, and $400 million for each of the 3 succeeding fiscal years. At this rate of authorization, illiteracy in the United States could be wiped out in 15 years.

This bill is a step forward as the first Federal commitment toward meeting the needs of the millions of our adults who were unable to complete their education through the high school level. It would also make available further educational opportunities for many of the 1.26 million adults who have participated in the adult basic education program made possible under the terms of the Adult Education Act of 1966. Many of these Americans, having advanced as far as the eighth grade, are now deprived of more education because they are unable to continue their education. Today fewer than 10 States presently provide any funds for high school education for adults.

Under present circumstances, securing a high school education represents little more than a remote possibility for 56 million educationally disenfranchised American adults. The bill I propose would not only provide this high school training but would also give these adults an opportunity subsequently to under-

take college or post-secondary vocational or technical studies.

In today's complex society, a "basic" education for an adult is more than acquiring literacy. It should be at least the equivalent of going through high school. Yet we face the paradox that in this Nation which has prided itself on our philosophy of educational opportunity for all, some 56 million Americans are short of this goal. Achieving it is not that difficult because, in many instances, a high degree of motivation or the effective use of programed instruction and educational technology leads an adult to earn 2 or 3 years of high school credits in but 1 year.

A recent survey revealed that in 1967 all but 5.4 percent of a sample group then taking adult education courses had annual incomes of under $6,000 and more than half had annual earnings of less than $3,000. And almost half of those in adult education courses were either family heads or the principal wage earner in a family. Significantly, too, almost half the students were between 25 and 44 years of age, a crucial time of career development. The return to the economy by giving these individuals the educational opportunity they missed in their earlier years will more than repay the average annual cost of $120 for adult education at the high school level and $200 for basic adult education.

While we seek to help make available the best possible education for our young people to help them meet the responsibilities of citizenship and the challenges of a career, we have fallen short in our responsibility toward those who for some reason fell by the wayside and were unable even to obtain the minimum of a high school education. This measure seeks to correct that oversight.

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

The bill (S. 1663) to strengthen and improve programs of assistance for adult education, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

GIFTED CHILDREN—A NATIONAL RESOURCE

Mr. JAVITS. Mr. President, in a study conducted for the U.S. Office of Education by Dr. Joseph L. French, professor at Pennsylvania State University, it was observed:

> Each year more than 80,000 youths who are within the top 25 percent of the nation's population intellectually, who have the scholastic potential for higher education, and who have the occupational potential for a job requiring relatively high-level intellectual power leave school before graduation.

This is a measure of the waste of one of our greatest national resources, our gifted young people, whose potential is lost. As Dr. John W. Kidd, President of the Council for Exceptional Children, has pointed out:

> While we have established massive efforts to reclaim and preserve many of the great physical and natural resources of our land, little or nothing has been done to develop the resource that will provide our leadership for future generations.

On January 28, together with Senators PROUTY, ALLOTT, BELLMON, COOK, COOPER, DOMINICK, SCHWEIKER, and STEVENS, and seven members of the House Education and Labor Committee, I introduced the Gifted and Talented Children Educational Assistance Act (S. 718) designed to focus Federal resources on the improvement of educational opportunities for gifted and talented children. This measure would launch a national effort to assist local and State educational agencies in establishing programs—and training personnel to carry out these programs—to meet the unique learning needs of these youngsters.

This proposal has received the strong endorsement of the Council for Exceptional Children—the council is a department of the National Education Association—and the Association for the Gifted. I ask unanimous consent to have included as part of my remarks letters of endorsement from the presidents of these two groups, together with the article, "Characteristics of High Ability Dropouts," the study to which I referred earlier.

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

THE COUNCIL FOR EXCEPTIONAL CHILDREN,
March 12, 1969.

Hon. JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: On behalf of The Council for Exceptional Children and its 38,000 members concerned about the education of handicapped and gifted children, may I take this opportunity to commend you for your leadership and sponsorship of S. 718, the Gifted and Talented Children Educational Assistance Act of 1969.

The gifted and talented child represents one of the greatest resources of our nation. While we have established massive efforts to reclaim and preserve many of the great physical and natural resources of our land, little or nothing has been done to develop the resource that will provide our leadership for future generations. With numerous federal programs which the Congress has wisely established for the improvement of education, there is no program designed to meet the unique learning needs of the gifted and talented child. Your bill is an excellent step in this direction.

Again, we commend you for your interest in the problems of the gifted and talented child and please be assured of our support in seeking passage of this bill. We hope that consideration will be given to the bill during the hearings on the Elementary and Secondary Education Amendments of 1969. If we can be of any assistance in this regard, please do not hesitate to contact us.

Sincerely yours,
JOHN W. KIDD, Ed.D.,
President, CEC.

THE ASSOCIATION FOR THE GIFTED,
March 12, 1969.

Hon. JACOB JAVITS,
U.S. Senate
Washington, D.C.

DEAR SENATOR JAVITS: The Association for the Gifted commends you for your sponsorship of S. 718, the Gifted and Talented Children Educational Assistance Act of 1969.

As educators of gifted children we have long been concerned about the lack of resources available to bring these children the education that they need. Recent evidence has demonstrated clearly that many of these children not only do not receive an appropriate education, but that many of them out of frustration drop out of the education system. In a recent article which I wrote for the National Association of Secondary School Principals as a result of several years of research, it was noted that "Each year more that 80,000 youth who are within the top 25% of the nation's population intellectually, who have the scholastic potential for higher education, and who have the occupational potential for a job requiring relatively high-level intellectual power leave school before graduation."

The Association for the Gifted sincerely hopes that during the hearings on the Elementary and Secondary Education Amendments of 1969, consideration will be given to S. 718. Please be assured that we will be glad to provide any assistance you may need in regard to supporting this bill.

Sincerely yours,
JOSEPH FRENCH, Ed.D.,
President.

CHARACTERISTICS OF HIGH ABILITY DROPOUTS

(By Joseph L. French)

"Our country's freedom and security are threatened when its youth are not educated to their maximum potential."[1] The tremendous waste involved when a youth prematurely drops out of school affects all citizens. His contribution of talent (and tax money) to our way of life is reduced. The greatest loss, however, is to the indivdual who is restricted in his personal development. The restriction of self-realization that accompanies a student's withdrawal from school before he is capable of entering an appropriately high vocation activity is one of the most devastating aspects of the United States' dropout problem. Too often these dropouts are youth who are disadvantaged in other ways also.

Even though school holding power is better today than it ever has been, about 25 percent of the secondary school population in the U.S. withdraw without graduating. Of every 1,000 pupils enrolled in the fifth grade in 1924–25, 302 graduated from high school. The situation has changed dramatically in 30 years. Of every 1,000 pupils enrolled in the fifth grade in 1954–55, 642 graduated. The secondary schools more than doubled their holding power in that 30-year period. The holding power has steadily improved at the rate of two or three percent a year. Of course the holding power varies by state and within each state.

For example, only a few years ago, 27 percent of all students entering the ninth grade in Pennsylvania failed to graduate. In 1964–65 only 16 percent of all students entering the ninth grade four years earlier dropped out before graduating. Comparative data for dropout studies are difficult to obtain, but studies of Pennsylvania dropouts of all intellectual levels were conducted for the 1956–57 and the 1962–63 school years.

DROPOUTS WITH IQ'S OF 110+

Very little information has been collected about dropouts of specified intellectual levels. For too long, dropouts have been considered a homogeneous group with IQ's of 95 or less. O. R. Warner reported, in a summary of the literature concerning dropouts, that about 11 percent have IQ's of 110 and above. Only 25 percent of the total population have IQ's

[1] O. R. Warner. "The Scholastic Ability of School Dropouts." *Selected Reports and Statistics on School Dropouts.* Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1964, 11–13.

of that magnitude, so it's a surprise to many laymen to learn that some dropouts have high IQ's of 110 and more. Based on the figures just given, each year more than 80,000 youth who are within the top 25 percent of the nation's population intellectually, who have the scholastic potential for higher education, and who have the occupational potential for a job requiring relatively high-level intellectual power leave school before graduation.

This article is based on a study designed to answer some of the questions I raised in a previous paper on dropouts of high mental ability, which was published in the *Vocational Guidance Quarterly* in the winter of 1965–66. I limited this study to youth with recorded IQ's of 110 and above. Dropouts were defined as those youth who had withdrawn from school before completing grade 12 during the 1964–65 academic year for any reason other than illness, death, or transferral to another school. The study was conducted in two phases. In Phase One data were requested from each school in Pennsylvania enrolling students in grades 9 through 12. Personnel in all but seven percent of the schools returned questionnaires describing 1,721 bright dropouts, giving their reasons for withdrawing and information pertaining to their various curricula, classes, IQ's, employment conditions, and addresses.

Among the subjects identified in the statewide survey, 55 percent were females. However, the emphasis of the study (employment potential) strongly recommended that a disproportionately large number of male subjects be included in the sample. As a result, 125 male and 81 female dropouts were selected for study in Phase One. In addition, a similar number of males and females of comparable IQ, socioeconomic level, and grade who were still in school were selected for comparative study in Phase Two (the comparison group was labeled "persisters"), which will be discussed later.

PHASE 1: DESCRIPTION OF THE POPULATION OF HIGH ABILITY DROPOUTS

On the basis of a composite figure derived from data up to 1964, Pennsylvania could expect to find 4,000 intellectually very able high school students withdrawing without graduating from high school. This figure represents those dropouts with IQ's of 110 or more—11 percent of the total number of Pennsylvania's dropouts. However, the recent campaign to reduce dropouts seems to have been especially effective in Pennsylvania, for a definite decrease in the number of dropouts at all intellectual levels has been noted.

The data for the survey being reported here are based only on dropouts with IQ's of 110 and above. Instead of an anticipated 4,000 students, a figure based on 11 percent of all dropouts, only 1,721 dropouts meeting the criteria were identified and another 100 were assumed to have withdrawn from the schools from which data were not obtained.

The personnel in the secondary schools were asked to state the reason for each student's withdrawal. The reasons which they listed have been classified and presented in Table 1. It is the consensus of personnel working with dropouts that most of the categories used for classifying such students are misleading. For example, the males were not asked *why* they needed a job, but a reasonable assumption is that many of them needed jobs to support newly-acquired wives. The fact that 292 males "passed the required age" does not really explain why they dropped out. Obviously, more boys of their age stayed in school than withdrew. School personnel indicated that four percent of the boys were asked to leave, but interviews with the students themselves revealed that many more than four percent were asked to leave. And many others felt that they could never graduate even if they did continue to attend.

TABLE 1.—REASONS FOR WITHDRAWAL BEFORE GRADUATION PROVIDED BY SCHOOL PERSONNEL (1965 SURVEY)

	Male		Female	
	Number	Percent	Number	Percent
To get a job (employment certificate)	183	23.9	107	11.2
Needed at home (exemption permit)	6	.8	24	2.5
Passed required age	292	38.1	144	15.1
Military service	94	12.3	1	.1
Had failing grades	25	3.3	6	.6
Didn't like school	38	5.0	19	2.0
Was asked to leave	31	4.0	4	.4
Pregnancy	0	0	227	23.8
Marriage	29	3.8	380	39.8
Illness	11	1.4	12	1.3
Institutionalization	17	2.2	1	.1
Other [1]	32	4.2	24	2.5
Unknown [2]	9	1.2	5	.5
Total	767		954	

[1] Speech difficulty, religious beliefs, family fight, etc.
[2] "I wish I knew," etc.

REASONS FOR QUITTING SCHOOL

The majority of the male dropouts, in their own words, left school because: 1. they did not like school (20 percent), 2. they were asked to leave (18 percent), 3. they wanted to get a job (17 percent), or 4. they wanted to get married (11 percent). Twenty percent of the unmarried female dropouts left school because they did not like it; others left because they wanted jobs (16 percent), because they had failing grades (12 percent), or because they were needed at home (12 percent). A large majority (82 percent) of the married female dropouts left school in order to be married. Personality data which will be discussed later suggest that the married females were quite different from male, and unmarried female, dropouts.

MILITARY SERVICE

In studies five to ten years ago in Pennsylvania, three to five percent of the male dropouts of all intellectual levels withdrew to enter military service. In 1965 12 percent of the males in that state with IQ's of 110 or more entered service immediately after withdrawal. Perhaps this percentage increase in dropouts entering the armed forces is due to the conflict in Viet Nam. However the percentage of those in this study of high ability dropouts who left school for military service is higher than the percentage of generally average dropouts who left school for the same purpose. Perhaps this higher percentage is the result of the brighter students being more able to qualify for service. Although school records suggest that 12 percent of the males withdrew from school so they could enter military service, approximately 29 percent were in military service within a few months of quitting school. Later it was determined by a follow-up of additional interviewing and testing that an even larger proportion were in military service.

The next highest category for employment of males—factory work or trades—included 22 percent of the boys and five percent of the girls. Eighteen percent were unemployed. The remaining subjects were scattered among six other categories.

This survey of employment encounters several problems. Perhaps the greatest problem in determining employment status involves the time of reporting job classification. Eighty-eight men were listed as "remaining at home," but practically all of those contacted in the second phase, or testing stage, of the project were employed, with the exception of a few who were in penal institutions or were mentally ill. Perhaps the change in their rate of employment was due to a shift in the job market which made finding work somewhat easier. On the other hand, it was found among those tested that many did not remain very long on the jobs they accepted upon high school termination. They will probably experience some upward mobility and profit from training programs as they are established.

It should be noted that in the general population more males than females withdraw from school without graduating, despite this study's evidence to the contrary. This study of high ability youth indicates that considerably more *females* withdrew. This reversal was not evident in Philadelphia, but in the rest of the state nearly twice as many high ability females as males withdrew.

Interestingly, approximately 65 percent of the females withdrew because they were either pregnant and/or intending to marry or because they were already married. This percentage looks large, as does the number 607. However, only 77 percent of the girls in Pennsylvania with IQ's of 110 and above are accounted for in these two entries in Table 1. Comparing these data with some data collected by the Department of Public Instruction one year earlier for the total student body reveals that pregnancy is found half as often among high school girls with IQ's of 110 and above as among such girls with IQ's of 109 and below. These figures were computed on a proportional representation and based on the assumption that 75 percent of the population will have IQ's of 109 and below. In this context, it should be recognized that although pregnancy and/or marriage accounts for two-thirds of the female dropouts with IQ's of 110 and above, pregnancy and marriage occur proportionately more often among high school girls with IQ's of 109 and below.

Table 2 shows the last grade attended by the dropouts studied in this survey of 1964–65 and some comparative data from the statewide dropout study conducted during the 1962-63 year without and reference to IQ. Unfortunately, comparable statistics are obtained spasmodically. Of the 1,721 bright dropouts, 478 had I.Q.'s of at least 120, and 81 had recorded IQ's of at least 130. It is evident in Table 2 and in data from dropouts with IQ's of 120 and above that the brighter students stay in school longer.

TABLE 2.—PENNSYLVANIA DROPOUTS LISTED BY LAST GRADE OF ENROLLMENT

	Dropouts of all intellectual levels in 1962–63		Dropouts with IQ's of 110 and above in 1964–65							
			Males				Females			
			Population		Sample		Population		Sample	
Grade	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
9	3,024	15.1	28	3.7	6	4.8	36	3.8	1	1.2
10	7,380	37.0	173	22.6	25	20.0	193	20.2	15	18.5
11	5,889	29.5	304	39.6	52	41.6	386	40.5	33	40.7
12	3,674	18.4	262	34.2	42	33.6	339	35.5	32	39.5
Total			767		125		954		81	

POSTGRADUATE EDUCATION

Approximately 46 percent of the males and 48 percent of the females who graduate from Pennsylvania secondary schools enter some kind of postgraduate educational program. It is quite possible that in a follow-up a short time from now investigators will find that a number of bright secondary school dropouts have entered some kind of postsecondary school. In fact, the limited amount of follow-up accomplished so far has revealed that several students who had dropped out of high school were already enrolled in colleges. Some dropouts entered college without graduating from high school; others entered after taking high school equivalency examinations; others finished high school by correspondence courses or night school. Many dropouts who entered the armed forces received vocational education and training that will be helpful to them after they are discharged.

Enrollment by curriculum is summarized in Table 3. This table indicates that more dropouts in Pennsylvania for the 1962–63 school year—both male and female—were enrolled in the general curriculum, the curriculum which is being criticized more and more as diluted and unfocused. Certainly this bit of data points to its inability to prevent *potential* dropouts from becoming *actual* dropouts.

TABLE 3.—CURRICULUM ENROLLMENT FOR GRADES 9-12

	All dropouts, male, 1962–63		All dropouts, female, 1962–63		Dropouts IQ's of 110 and above [1]			
					Males, 1964–65		Females, 1964–65	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
College prep	502	5.1	406	5.7	146	24.4	235	28.3
Commercial	678	6.9	2,662	37.4	44	7.4	421	50.8
Vocational	2,780	28.3	683	9.6	124	20.8	16	1.9
General	5,315	54.0	3,032	42.6	276	46.2	150	18.1
Other	550	5.6	335	4.7	7	1.2	7	0.8
Total	9,825	99.9	7,118	100.0	597	100.0	829	99.9

[1] Philadelphia dropouts were not reported by curriculum.

According to some research, frequency of transfer of schools is a means of identifying a potential dropout. In this study only 29 percent of the males and 33 percent of the females had transferred from one school to another before dropping out. These figures are not higher than those of the persisters in this study or of the seniors with IQ's of 110 and above responding to PROJECT TALENT tests in 1960. Therefore, this frequently mentioned correlate of school withdrawal was not substantiated in the findings of this study.

Another integral factor which has often been cited as indicative of a student's dropout potential is the parents' low level of education and employment. Using this assumption as a starting point, we used parental occupation and education as a basis for classifying dropouts in five socioeconomic levels. We found that nine of the males were in the top two levels. About one-third of the remaining males were in each of the lower three levels. Females who were married or anticipating marriage were more evenly distributed through all five socioeconomic levels.

Phase One of this study merely set out to describe the high ability dropout. Now Phase Two, in its comparison of dropouts and persisters, attempts to reveal striking differences in the two groups. It will treat such areas as personality, interests, attitudes towards school, educational skills, and family orientation toward school processes.

PHASE 2: COMPARISON OF DROPOUT AND PERSISTER SAMPLES

The subjects described in the remainder of this paper are 125 male dropouts, 55 *married* female dropouts, and 26 *unmarried* female dropouts. In addition, for comparative purposes there are three similar groups of persisters. The dropouts and the persisters have comparable IQ's (X 117) and neighborhood backgrounds.

In this phase of the study, all dropouts and persisters responded to the Minnesota Vocational Interest Inventory (MVII), the High School Personality Questionnaire (HSPQ), an autobiographical data form called the Student Information Blank (SIB), an attitude scale developed for the project called Attitude Inventory for Youth (AIY), and an interview. These tests and interviews were administered by 63 school counselors and psychologists located in the schools at which the dropouts had previously been enrolled.

On the HSPQ, the greatest discrepancies between male dropouts and persisters were found in dispositional traits labeled "Obedient/Assertive," and "Sober/Happy-go-lucky," and "Tough-minded/Tender-minded" on the profile. The male dropouts were significantly more assertive, independent, self-assured, rebellious, competitive ($P<.05$), cheerful, expressive, frank, happy-go-lucky, and talkative ($P<.01$) than the persisters.

From the overall profile, the male dropout of high ability could be described in the following terms. He is a happy-go-lucky fellow who is interested in people. Although he tends to be easy-going, his actions are marked with deliberateness and his speech with frankness. His profile does not suggest lack of interest in school and much that school represents, but it does indicate that the school's pressures for conformity might create a stumbling block for him. And his overall response pattern would suggest that he falls well within normal limits with regard to his mental health (neuroticism, anxiety, etc.). He is, from all indications, a fairly sound individual.

The girls dropping out of school for reasons other than marriage were very similar to the boys. The personality differences which were noted were slight and appropriate to the difference in sex. The description of the male dropouts, then, would basically apply to the unmarried female dropouts.

The girls who withdrew because of pregnancy and/or marriage were less socially oriented than the persisters; they were less prone to seek social recognition. Their scores were near the norm group on most traits.

IDENTIFYING POTENTIAL DROPOUTS

A formula for predicting dropouts from HSPQ data was developed by Satir and does not identify many false positives.[2] A scoring key to identify potential dropouts from MVII responses was constructed by Bonfield.[3] In a cross validation study the key proved effective. I have developed similar keys for the SIB.[4] Although not tested as a composite score, the scores from the HSPQ formula, MVII key and SIB key should be very helpful in predicting high ability high school dropouts. A problem in preparing a paper such as this, as with many papers about the gifted, involves trying to generalize about a heterogeneous group. The following reactions by dropouts to a question about how schools could be improved illustrate the problem.

A male who left school because he was "needed at home" but who was soon employed as a clothes sorter for a linen service said. "I am in the U.S. Army. I have just completed a high school equivalency course, and I am waiting for the results. As far as I am concerned, the schools in _____ do not need any changes. It is not a school's fault if a pupil learns very little. He [the pupil] has to be interested and want to learn. The schools are doing their primary job. They supply books and teachers, and the pupil has to make the best of them."

From a male who left because he wanted to get a job and who was employed in a greenhouse and drove a truck, we hear. "I believe one of the main troubles in the school system is the lack of good judgment in the hiring of teachers and administrative personnel. When they bring a teacher into the system, they don't go deep enough into his personal background. Some of the most psychotic human beings I have ever met have been in a schoolroom. These teachers not only undermine the possibility of education in the classroom, but they harass and psychologically upset the children and young adults at an age when they cannot retaliate. Periodic checks—not only written, but oral—should be made to see if teachers are fit to be in such a position. Thank you for giving me this opportunity to let you know how I feel."

And from a female who left because she "did not like school" and who is now employed as a photographic technician: "I feel the two main problems in today's schools are the overcrowded classrooms and the lack of teacher dedication and interest. Classes today are so large that the students have little chance to get individual attention for their special problems. By the time attendance is taken, assignments given out, and things organized, there is little time for study of the subject itself. Children who find it difficult to study or slow learners are left behind or forgotten and soon lose interest. Consequently, the slow learners fail the subject. On the other hand, the quick learners are quickly bored and disgusted.

"If classes were smaller or divided according to learning ability, the teachers could get to know the students as people with different interests and problems and, in many cases, could find out why the children find it difficut to learn a certain subject. If the teachers would take a little more time and interest and show the students that someone cares about them and their progress, the students would try a lot harder and get better grades. Some people just don't have the ability, but many more have it and don't use it. What's the use of trying if no one notices or cares about your efforts? I know I never would have left school if my teachers and principal had listened to me and tried to understand why I found a subject so difficult. If they had helped me instead of lecturing, I would be a graduate today. I had only four weeks to go."

PARENTAL ATTITUDES

Current campaigns to keep dropouts in school are working. Both dropouts and per-

[2] B. W. Cardon and K. Satir, "Personality Factors as Predictors of High Ability Dropouts," *Journal of School Psychology*. In press, 1968.

[3] J. Bonfield, "Development and Validation of an Identification Scale for High Ability Dropouts," *Vocational Guidance Quarterly*. March 1968. 16, 177–180.

[4] See Cardon and French's *Employment Status and Characteristics of High School Dropouts of High Ability*. University Park, Pa.: The Pennsylvania State University Press, 1966.

sisters realize that dropouts have more difficulty getting and keeping jobs. A major difference between the dropouts and persisters in this study is in their perception of parental attitude. Persisters feel that their parents force them to stay in school, but dropouts feel that their parents wanted them to stay in but did not force them to do so. If it is really important for students to complete secondary school, attention must be directed to parental attitude and behavior.

If schools are to better meet the needs of all bright youth, some changes must be made. Some potential dropouts are being kept in school by admonishment, while others are being kept by money—$1.50 an hour to stay in school! Many of these youth (persisters) have very poor attitudes toward teachers, curriculum, and activities. If we do not modify old programs and introduce innovation to meet the needs of potential dropouts, we may have more trouble in schools than when it was easier to drop out.

The high school dropout rate of high ability students enrolled in general and commercial curricula (see Table 2) suggests a need for attention to these programs now. Too often they have been neglected by educators concerned with the gifted. Many vocational and technical but non-professional jobs are highly important in our society, and bright, efficient workers are badly needed. Trying to channel all youth with IQ's of 110 and above into traditional college programs and neglecting vocational curricula is a mistake. We need to become concerned about the bright adolescent with non-professional aspirations. What most of the dropouts wanted of the school was "practical" courses which would assist them in "living in the real world."

A GUIDED AND GRADUAL ENTRY

While there is reason to believe that the dropout's perception of the content of many courses and the sequence of courses was realistic, their perception of work and non-student days might have been unrealistic. Not only should course conent and sequence be examined with the idea of making them as meaningful and practical as possible, but part-time work for students and on-the-job training for workers prior to "senior standing" should be instituted. A guided and gradual entry into the role of wage earner seems to be very desirable. As programs develop to pay potential dropouts for work around school or for part-time employment elsewhere, attention needs to be given to the objectives of such programs. Dropouts seem to need help in planning the use of money.

The high incidence of pregnancy and early marriage in this sample suggests a need for positive attention to sex and marriage education. With an increasing proportion of young women entering the labor market, attention will need to be directed to preparing young mothers for the maximum utilization of their talent.

Many dropouts want to go back to school, but the prospect of being in classes with younger adolescents keeps most of them from returning. The "evening school" or community college program may hold considerable promise, but so far little attention has been directed toward their resources for dropouts of above-average ability.

Obviously, some attitudes are too well fixed to modify in a short period. Communicating with even "frank and independent" adolescents presents quite a problem for adults. However, many of our dropouts would like to tell of their disillusionment and problems. Perhaps some of the bright dropouts could be effectively utilized in a prevention program. Other dropouts recommend entering the labor force briefly to develop an appreciation for school. If this approach is attempted, integration of dropouts into an educational program will need considerable attention.

Activities which help develop social skills seem to be needed by potential dropouts. In many schools male and female dropouts did not participate as often as persisters in activities which develop feelings of self-respect, belonging, and acceptance. Although such activities are available for many students, the dropouts in this study sought, but were unable to obtain, as much participation in group activities as did persisters or as they wanted. Direct attention to, and perhaps subtle guidance in, social development seems highly desirable. In many schools new organizations will be necessary to provide for these students.

SERIOUS RE-EVALUATION NEEDED

Most of the recommendations given for overcoming several aspects of the dropout problem among high ability youth are in no way new to educators. In fact, most of the recommendations have already been put into practice by many schools. What is needed, therefore, is a serious re-evaluation of what is presently being done with a particular student in mind: the bright student who is a potential or actual dropout. The extent to which present programs are meeting the needs of this group will determine the degree to which change is necessary.

It was interesting to note that several dropouts who were contacted as possible subjects for the present study returned to school as a result. A concerted effort must be made to prevent the dropouts from "dropping out of sight." And there should be a systematic program of contacts, not only with the idea of bringing the dropout back to high school but to provide other forms of assistance as well. The schools, for example should be the primary source of information regarding the resources of other community agencies which might provide the kind of assistance best suited to the dropout. In turn, such follow-up studies will assist school personnel in revising current programs in keeping with student needs.

THE SPANISH CHIEF OF STATE

Mr. BYRD of West Virginia. Mr. President, at the request of the Senator from New Mexico (Mr. MONTOYA), I ask unanimous consent that a statement by Senator MONTOYA entitled "The Spanish Chief of State," together with an accompanying book review article be printed in the RECORD.

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

THE SPANISH CHIEF OF STATE

Mr. MONTOYA. Mr. President, it is a pleasure to draw the attention of my distinguished Colleagues and the general public to the review of a new book about the present Spanish Chief of State written by one of my friends, the Rev. Dr. Joseph F. Thorning, and published in the summer issue of "World Affairs," official publication of the American Peace Society, the oldest genuine peace organization in the United States.

It is interesting to note that Father Thorning, who enjoys the friendship of many Members of the U.S. Congress, reported the facts about events in the Iberian Peninsula during the Spanish Civil War. At a time when many newspaper writers found it difficult to understand the nature of the action, Dr. Thorning correctly foretold the outcome of the struggle, almost from the beginning. Numerous articles under his name were carried around the globe by the NCWC News Service. Other pieces on this theme were featured in The Washington Star, The Washington Post and the Washington Herald-Examiner. Moreover, reports about this priest-scholar's impressions of Spain were published in The New York Times. Thanks in no small part to these presentations and to the respect which Father Thorning's judgment commanded in Washington, the Nationalist regime was recognized as the *de facto* and *de jure* government of the Spanish people early in April 1939. This marked a milestone in the history of Europe, if not of the world. Soon we will observe the thirtieth anniversary of that event.

Today, Dr. Thorning continues to serve as an associate editor of "World Affairs" in the company of other university scholars; as the United States Honorary Fellow of the Historical and Geographic Institute of Brazil and as an Honorary Professor of the Catholic University of Chile and the University of Santo Domingo. He is also working on a new book about the movement which succeeded in re-establishing full diplomatic relations between Spain and the United States. Many distinguished Members of the Congress remember this effort because they were active in the same cause.

A synopsis of the volume about Generalissimo Francisco Franco y Bahamonde follows.

Franco, by Brian Crozier. (Boston: Little, Brown and Company, 1968. Pp. XX–589. $10.00.)

This biography of the present Spanish Chief of State, Generalissimo Franciso Franco y Bahamonde, is presented in historical perspective. Although the author is a journalist rather than a professional historian, he has devoted more than two years to research in Spanish, British, Italian, German and Portuguese archives. Interest in his subject also led him to examine, with no little care, official Soviet and other sources that throw light upon the origin, development and dénouement, not only of the Spanish Civil War, but also upon the almost equally bitter and much more prolonged struggle of a number of nations, despite the decisions of the Potsdam conference, to re-establish full diplomatic relations with Spain. After this victory, as Brian Crozier points out, another campaign of global dimensions was required to secure the election of the present Spanish Government, by a two-thirds' vote, to membership in the United Nations and related specialized agencies.

The author, in his final chapters of a fascinating volume, adds fairly detailed reports about the negotiations that led to Spanish-American agreement about naval and air bases in the Iberian Peninsula. The provisions of this treaty, advantageous for both parties, have been in effect for fifteen years. They are now subject to re-negotiation and, in all likelihood, renewal in the light of the Soviet invasion of Czechoslovakia and the activities of the reinforced Red Fleet in the Mediterranean. From the viewpoint of United States officials defense needs have to be balanced against economic realities. Spain has put a high price tag on renewal before March 1969, pointing out that the peoples of the Iberian Peninsula might be the first target of Soviet aggression in the event that the Red Army would move against Western Europe and the North Atlantic Treaty Organization. Spain, although not a member of NATO, indirectly is tied in with ith communications, transport and defense supply systems. Many functions that had been assigned to President Charles de Gaulle's France are the present responsibility of the Spaniards.

Brian Crozier, it may be noted, was born in Australia and served as a correspondent of Reuters. His experience includes work on the staff of *The Economist* (London). Whenever he judges it necessary or important, he writes in a critical vein. This biography is not panegyric.

Mr. Crozier, unlike many another in his profession, is aware of, and cites with credit, an indispensable book by Burnett Bolloten (Stanford University professor), "The Grand Camouflage: The Communist Conspiracy in the Spanish Civil War." This study was published by Hollis and Carter in London (1961) and by Frederick A. Praeger in the USA.

Brian Crozier also consulted "Spain: The Vital Years," by Luís A. Bolin. The latter volume by an eyewitness of the events he relates was reviewed in the Spring 1968 issue of *World Affairs*.

Another praiseworthy feature of this biography is its collection of maps, illustrations, appendices and numerous source references. The index alone lacks a scholarly touch.

A more serious defect is that Brian Crozier, like others who write from the other side of the Atlantic Ocean, failed to examine evidence about peoples and governments in the Western Hemisphere that helped to influence the course of history in Spain during the epoch described with skill and impartiality in this highly readable report.

JOSEPH F. THORNING,
The United States Honorary Fellow of The Historical and Geographic Institute of Brazil.

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

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ADJOURNMENT UNTIL WEDNESDAY, MARCH 26, 1969

Mr. KENNEDY. Mr. President, I move, in accordance with the previous order, that the Senate adjourn until 12 o'clock noon on Wednesday next.

The motion was agreed to; and (at 3 o'clock and 44 minutes p.m.) the Senate adjourned until Wednesday, March 26, 1969, at 12 o'clock meridian.

NOMINATIONS

Executive nomination received by the Senate March 24, 1969, after adjournment of the Senate March 20, 1969, under authority of order of same date:

U.S. ATTORNEY

Thomas A. Flannery, of Maryland, to be U.S. attorney for the District of Columbia, for the term of 4 years vice David G. Bress.

Executive nominations received by the Senate March 24, 1969:

PEACE CORPS

Joseph H. Blatchford, of California, to be Director of the Peace Corps.

IN THE ARMY

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be major

Madden, Joseph P., O99911.

To be captains

Geimer, William S., O96383.
Madden, Joseph P., O99911.
Montgomery, Robert E., O90972.

To be first lieutenants

Ames, Orrin K., OF109676.
Bausch, James M., OF109509.
Conderman, John D., OF108517.
Dort, Dean R., III, OF108548.
Ellis, John D., Jr., OF108559.
Finnell, James M., II, OF109382.
Friesner, Wayne L., OF109716.
Gray, Kenneth D., OF108610.
Gray, Thomas W., OF109726.
Jones, Hugh M., III, OF108690.
Kennett, Michael B., OF108704.
Kingham, Thomas B., OF108711.
Kurzweil, Robert B., OF113116.
Lewis, Robert E., OF113120.
Loveland, Daniel J., OF107231.
McNeill, Robert H., III, O98836.
Meacham, Christopher, OF108774.
Mulford, Ralph K., III, OF108804.
Parsons, William X., OF108831.
Pursley, Charles N. Jr., OF109784.
Seibold, Paul M., OF113127.
Shelton, Donald E., OF109792.
Sovie, Donald E., OF108922.
Strassburg, Thomas M., OF108944.
Szymanski, James G., OF108954.
Vaughan, Ronald B., OF108985.
Wagner, Anthony L., OF108992.
Wilson, John W., Jr., OF109026.
Wilson, Thomas W., OF109040.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be majors

Gleber, Anthony J., O2266377.
Lee, Robert E., Jr., O4010464.
Reeves, Gale T., O4042820.

To be captains

Baumann, Philipe F., O5850096.
Boyd, Reese L., O5211363.
Boyd, Richard F., O5503099.
Bradshaw, Hershal W., MN902166.
Brewer, Gerard F., O5716331.
Brown, Richard T., O5525576.
Bukowski, Edward F., O5515726.
Burns, Marlene G., N5407290.
Campbell, Dean J., O4084442.
Chard, Stanley R., O5540533.
Cohen, Marsha H., N5407214.
Coldewey, Johann F., O5265423.
Fore, Curtis W., MN2298059.
Fujitani, Donald S., O4078096.
Fulton, Charles F., O5412787.
Gillespie, Henry B., Jr., O5307336.
Giustolisi, Vincent R., O5242222.
Gray, Charles A. Q., Jr., O5214043.
Greene, Hubert D., O5315089.
Henry, James M., O5242371.
Hummel, Robert A., MM2297782.
Kraemer, Robert P., O5217047.
Lathem, Larry B., O5512711.
Lester, Rodney D., O5315234.
Orlowski, Joseph, Jr., O4031098.
Patrick, Harold L., O5502786.
Peyton, John J., O4068434.
Pinson, Robert L., O5426140.
Pope, John L., O87887.
Rand, Donald E., MN2295979.
Rhodes, Charles T., Jr., O5319920.
Ruddle, Arthur R., O5212668.
Sargeant, Francis L., MN2303931.
Scarsdale, Bobby R., O5411926.
Schloesser, Kenneth, O5304512.
Schrantz, Marshall K., O2307988.
Schulz, Charles E., Jr., O5259407.
Shaw, Robert W., O5420910.
Simone, Ronald J., O5540407.
Skelton, Samuel E., Jr., O5309473.
Tucker, Billy D., O5412825.
Walker, Neal R., O5411824.
Webb, Loren W., O4023649.
Wells, Lyndoll L., N2244413.
Wise, A. J., O5320105.

To be first lieutenants

Allanach, Bruce C., MN2326203.
Barnes, Cary M., O2325519.
Bates, Thomas J., O5707418.
Benham, Deborah K., N2331218.
Bergeron, Alfred J., O5418101.
Bond, Larry A., O5418938.
Brennan, Thomas J., O5018751.
Brinsfield, Carroll S., MN2318053.
Brown, Alan R., O5227956.
Brown, Robert W., O5419844.
Brundage, Richard W., O2319828.
Bryan, Gareth D., MN5520413.
Carlton, Darrel H., O5329321.
Carter, Willard T., O2324901.
Castellanos, Ronald D., O5252776.
Chase, James E., Jr., O5326204.
Clark, Dorothy J., N2321834.
Copenhaver, Dianne G., ON2336924.
Coppedge, Raleigh E., O5415173.
Corley, Milton D., O5328884.
Crawford, David H., O5324181.
Crummey, Peter F., O5320135.
Davila, Manuel A., O5826406.
Donowho, Everett M., O5423792.
Erkins, Moses, O5317419.
Eubanks, Lonnie H., Jr., MN2325714.
Fairfield, Louis D., O5530912.
Fiore, Leonard A., O5017435.
Foree, Betty M., N5411494.
Franklin, William A., O5326400.
Gallagher, Stephan M., O5515447.
Gilman, Robert L., O5016370.
Glassman, Arthur L., O5517324.
Goncalo, Richard, O5329649.
Griffin, James H., O2306811.
Hargo, Roderick L., O5221963.
Hartgraves, Michael B., O5421248.
Havens, John W., O5321664.
Hill, Norman J., O2306575.
Hixson, Garry P., O5531801.
Holleque, Oscar E., O5406462.
Holmes, William R., O5318919.
Holomon, Cyril P., O5326240.
Horio, Kenneth K., O5516421.
Ingalsbe, Duane G., O5517876.
Ionoff, John, Jr., O5320326.
Jones, Marsha M., N5407437.
Joyce, Joseph J., Jr., O5222419.
Kent, Charles E., O5014461.
Long, Elmer C., Jr., O5255748.
Mackey, George D., O5420479.
Madden, Charles E., O5314726.
Marcaccio, Joseph P., O5327089.
McCaffrey, John C., O5318377.
Merrill, Richard H., O5013652.
Minahan, Sue P., N2328759.
Mitchell, Ralph W., O5315528.
Mitchell, Richard R., O5800596.
Montgomery, Patrick J., O5320502.
Murphy, Patrick W., O2332036.
Nowakowski, Andrew, O3202585.
O'Donnell, Dennis J., MN5422052.
Oslin, Robert W., O5022927.
Piersall, Grady C., O5531017.
Pierson, Dean L., O2325591.
Platt, Richard A., O5241260.
Pritchard, Alan F., O3202856.
Pyle, John F., O2318421.
Raffle, Stephen M., O5541910.
Ratcliff, Owen L., Jr., O5530126.
Recker Carol R., N5417290.
Reeves, Jerry F., O5318075.
Robinson, Richard S., O5516810.
Robison, Gary A., O5218757.
Sandidge, William M., O5223321.
Sawallesh, Robert F., O2324336.
Schaefer, Dennis W., O5532505.
Schneider, William A., O5005884.
Schulz, Patricia J., N2326544.
Sneed, Bryant S., III, O5318090.
Sokness, Gary L., O5534170.
Sowder, Norman G., O2308638.
Spencer, Joanne M., N2326865.
Staiano, Ralph A., O5255823.
Steel, Virginia M., N2329982.
Steinbauer, David J., O5260170.
Sullivan, Darr F., Jr., O5406396.
Thomas, Joseph J., O2309090.
Thomas, Stanley E., O2304045.
Tisdale, David M., O5317634.
Tufano, John R., O5018027.
Turner, Charles E., O5316536.
Twombly, Richard F., O5015742.
Vander Naald, James, O5012212.
Walsh, James A., O2317515.
Walther, John R., O5707839.
Watts, Robert P., Sr., O5324133.
Weaver, Noel L., O5413506.
Wessling, Richard B., O2306518.
Whisker, Dennis W., O5536535.
Willmann, Lawrence D., O5225277.
Young, Roger A., O5239176.

To be second lieutenants

Badger, James L., Jr., O5424002.
Ball, Robert M., O2335726.

Bemis, Al H., O5244132.
Bowlyow, Ronald G., MN2328730.
Braddock, Richard R., O2318142.
Brannon, David L., O5425703.
Bristol William A., O5236685.
Brooks, Raymond R., MN422262.
Cook, Thomas E., MN5422229.
Cowan, William L., O5319172.
Darden, Thomas S., O5425191.
Dellinger, William R., O5330783.
Farineau, Paul F., MN5264800.
Gilliam Charles E., O5333419.
Griswold, Walter W., O5334868.
Hinson, Robert L., Jr., O5338449.
Hitchcook, John L., O5714184.
Hohn, Dennis E., O5537586.
Huchko, Joseph E., MN5251193.
Hunsaker, George D., O5338278.
Hunter, Addison A., III, O5421378.
Johansen, Ralph F., O5424391.
Kinman, Harry D., O5247989.
Koop, Gerald L., O5432229.
Larose, Willard G., Jr., O5424206.
Moore, William T., O5336812.
Peterson, Lawrence T., O5238566.
Pope, Richard L., MJ2332743.
Porter, Irvine C., III, O5328924.
Sale, LaFayette L., O5337459.
Schwartz, Samuel R., O5018873.
Sealfon, Michael S., O5230842.
Seremet, Joseph H., O5332943.
Sinclair, Allen L., MN5330872.
Smaggard, Arthur G., O2331639.
Stewart, James R., O2322155.
Thomason, Melvin F., Jr., O5237611.
Tibbetts, Walter P., O5240302.
Tyner, James C., Jr., O5424601.
Utley, Robert C., O5422666.
Wiener, Michael L., O2326899.
Zaccagni, Philip J., O5336107.

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under provisions of title 10, United States Code. sections 2107, 3283, 3284, 3286, 3287, 3288 and 3290:

Robey, Kenneth W.
Roush, Robert H.
Cox, William R., Jr.
Davis, William T., Jr.
Garrett, Robert W., Jr.
Smith, Leigh W.
Wicker, Russell A.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, and 3290:

Page, Felton
Noe, Anthony M.
Palacios, Noe

Executive nominations received by the Senate March 24, 1969, after adjournment of the Senate, under authority of order of same date:

IN THE ARMY

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grades as follows:

To be general

Lt. Gen. William Bradford Rosson, O23556, Army of the United States (brigadier general, U.S. Army).

To be lieutenant general

Maj. Gen. Julian Johnson Ewell, O21791, U.S. Army.

U.S. DISTRICT JUDGE

John B. Hannum, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania vice Francis L. Van Dusen, elevated.

U.S. ATTORNEY

John W. Stokes, Jr., to be U.S. attorney for the northern district of Georgia for the term of 4 years vice Charles L. Goodson.

U.S. MARSHAL

Doroteo R. Baca, of New Mexico, to be U.S. marshal for the district of New Mexico for the term of 4 years vice Emilio Naranjo.

EXTENSIONS OF REMARKS

CONGRESSMAN FALLON URGES CONTINUING CONSTRUCTION OF THE NATION

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 24, 1969

Mr. JONES of Alabama. Mr. Speaker, the chairman of the Public Works Committee, the Honorable GEORGE H. FALLON, issued a stirring challenge in an address to the Associated General Contractors of America meeting in their 50th annual convention in Washington March 19.

With the skill and knowledge for which he is noted as a great legislator, Chairman FALLON outlined the building activities and programs which better serve the public interest.

Because he was intimately involved in the conception and realization of the legislation which gives life to the dreams of the people for a better America, Chairman FALLON'S remarks should be of interest to each of us.

His timely challenge to continue building this Nation has a direct message for every Member of this House, and I place it in my remarks at this point:

REMARKS OF HON. GEORGE H. FALLON, OF MARYLAND, TO ASSOCIATED GENERAL CONTRACTORS, MARCH 18, 1969

It is, as always, a pleasure to join you for your annual meeting. Our association spans many years, and the cooperative effort of that association has contributed substantially to the nation's progress through public works. I hope the association has been as pleasant for you as it has been for me.

As Chairman of the Public Works Committee, I am very much aware of a sometimes painful paradox in our national personality. Virtually every area of our legislative responsibility is periodically attacked, with varying degrees, as "big government, boondoggle, pork barrel, federal bulldozer"—and worse, I suppose. But it is the productive exercise of those responsibilities, beginning with a lighthouse at the entrance to the Chesapeake Bay in 1789 and expanding down through 180 years as our nation has expanded, our population has grown, and our needs have become increasingly complex, that has provided so much of the foundation upon which our national well being rests.

Public buildings house government activities, not so much to serve the individual government activities as to make it better serve the public interest.

Rivers are developed and maintained as waterways to serve economic growth. They are also held in harness to provide water supply, electric power, and playgrounds, and to prevent their wayward destruction of people and property.

Small watersheds are reclaimed and revitalized, that the erosion forces of neither nature nor man shall do cumulative damage to the rural face of the land.

Highways spread a network of unfettered mobility from ocean to ocean, border to border, state to state, village to city, and back. Without them and the flexibility they afford us, little of the abundant and prosperous life we enjoy today would have been possible for a nation that embraces such vast reaches on the continent.

With growth and abundance have come problems. Waters have been defiled and must be reclaimed and protected. In the forward stride, some areas have been left behind and the multiple public works avenues can be and are being used to bring them abreast of their sister regions.

No public works program or project is an entity in itself. Everyone of them creates an ever-widening sweep of opportunity—for employment, for further development, for greater opportunity, for a better life.

It is a fundamental of our form of government that each of us sacrifices absolute freedom that all of us may be held safe in a common freedom. The ethic applies to public works as well as to other aspects of our national life.

To provide the dam that will hold hundreds of people safe from flood, some people must give up land. Elsewhere, to provide a highway that will afford access and opportunity for hundreds, some other people must do the same.

Views in terms of the ethic, it balances—locally, regionally, and nationally. If it did not, our system would not have survived and we would not be, as we are, for all our problems, the most fortunate of men.

You have been active participants in these accomplishments. Let me briefly recite to you the relevant statistics and recount the landmark statutes through which they have been achieved.

The landmark Federal Aid Highway Act of 1956 and the subsequent amendments thereto that have been adopted over the years set into being the greatest single public works program in the history of the world. It tied together in the final and definitive bind all sections of this great nation. It opened the door to all of our citizens to traverse freely and unimpeded over highways, and it not only led to better job opportunities and greater economic growth for our nation, but also to a greater understanding and better knowledge of our country for all of our citizens. One of the great problems we face today is the pressing need for clean water. This affects all of us—large or small—in industry and in our homes. It affects the survival, not only of our generation, but of generations still unborn. The Committee on Public Works has been in the forefront in this field. It recognized its importance at an early stage and has moved consistently in an impressive and meaningful legislative manner to preserve the pristine purity of our nation's lakes, rivers and streams to provide, not only good clean water, but that water that is so essential for our industrial growth.

The Public Buildings Act of 1959 gave a real meaning and a real purpose to federal growth by giving to our citizens, and not only those who work for the government, but the hundreds of thousands others it provided a fit and proper place to carry on their essential duties.

Lately, the Committee on Public Works has moved into a field that requires the attention of all of us, the need to bring those citizens who, through no fault of their own, have fallen behind a majority of our people who live in gainful prosperity. The Appalachian Regional Development Act of 1965 and the Economic Development Act of the